



**THE ST HELENS
BOOK STOP LIMITED**

A community book shop
in the heart of St Helens

18 November 2020

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Steve Morgan
FOUNDATION

**Community
Shares**

CO-OPERATIVES UK
COOP | **150**
YEARS
TOGETHER

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1) BACKGROUND

St Helens is a large town in the North West with a population of over 100,000. It is also the administrative centre of the Metropolitan Borough of St Helens which has a population of circa 180,000. Until the early 1970s it was part of the historic county of Lancashire but was at that point subsumed into the newly created county of Merseyside.

Like many towns in the post industrial era St Helens has struggled to come to terms with the modern world. Once the proud home of the industrial behemoths Pilkington and Beechams Pharmaceuticals, as well as having one of the largest coalfields in Lancashire, it now faces multiple challenges in transitioning to a society in which big industry plays no part and in which large swathes of the population feel little or no sense of belonging. This is reflected in part by the fact that St Helens was the 26th most deprived local authority in the 2019 Index of Multiple Deprivation, down from 36th in the 2015 Index and 51st in the 2010 index indicating that the situation relative to other local authorities is deteriorating rather than improving.¹

The situation is exacerbated by the decline of retail which has adversely impacted the town centre in particular. Online shopping and large out of town retail parks and shopping centres have left the town centre a shadow of the bustling community hub it once was. Most department stores have turned their backs on the town and the once thriving shopping centres now boast the usual collection of pound shops, betting shops, charity shops and empty units.

¹ <https://www.sthelens.gov.uk/media/10834/indices-of-deprivation-2019-summary-report.pdf>

It was against this background that the only bookshop in St Helens, Wardleworths on Westfield Street, plied its trade until the summer of 2019. It performed an important function, hosting the occasional book signing and it had built up over the years a loyal clientele. It suffered however from two major disadvantages. Firstly, the owner, by now quite elderly, lived in Cardiff and had shown little interest in developing the business in recent years. As a consequence the shop was in many ways rooted in the past rather than moving with the times. Secondly, Westfield Street was far from an ideal location for a bookshop. Surrounded by takeaways, bars and clubs it formed an isolated outpost and indeed, notwithstanding that it had been there for many years, customers would still occasionally drop in and comment that until then they had no idea a bookshop existed there.

Finally in August 2019 the inevitable happened and the owner decided to shut up shop, leaving the members of staff unemployed and the town with no dedicated bookshop.

The COVID 19 outbreak has of course injected yet more uncertainty into the future of the town centre. There have been consequences which have been positive in that there has been an increased recognition of the value and importance of community and we have seen lots of individuals and organisations come together to try to support those who were the most badly affected by the pandemic. On the other hand more and more people have moved to shopping online and there are also likely to be restrictions for some time which will affect shops, their customers and certainly any events that might otherwise have taken place.

2) WHY IS A COMMUNITY BOOKSHOP IMPORTANT? WHAT DO WE HOPE TO ACHIEVE?

This question can be answered in two parts.

The first answer revolves around the importance of community. Whilst the old industrial days had many of their own problems (poor working conditions, low wages, poverty etc) what big industry did provide was a sense of community. People generally worked in the same places as their neighbours. If a father had a job at Pilkington or down the mines then there was likely to be a job in the same place for his son when the time came. There were many working men's clubs dotted around the town and indeed the pubs and churches were also very much meeting places for the community. This world has however long gone, together with its sense of belonging and identity, to be replaced by a world in which many feel distant and indeed disenfranchised. The institutions which did provide a sense of community are, one by one, disappearing, the latest in St Helens being the demise of the Citadel Arts Centre.

A community bookshop will not on its own recreate the missing sense of community but it can go some way towards mitigating some of the consequences arising therefrom by providing a place which promotes social inclusion, where people feel welcome and where they can come together, talk and interact with others, ideally of all ages and from every demographic. It could, perhaps with other initiatives that are taking place, help provide the launch pad to reinvent the town centre as a place where community thrives and where people have a reason to visit other than simply to shop which they can do elsewhere.

Secondly, a bookshop can, if successful, deliver a whole range of further benefits to the community primarily by helping to promote reading for pleasure and the appreciation of books and literature, again to all age groups but with a particular emphasis on introducing children at an early age to the joy of books. The intention would be to improve literacy levels (the two St. Helens constituencies being the 111th and 133rd worst for literacy out of 533 conurbations surveyed in the index compiled by the Literacy Trust in 2016) across the board. It is now generally accepted that there is a direct link between poor literacy levels and both low life expectancy and mental health problems (conversely, there is a clear link between good literacy levels and enjoyment and success in life). According to National Book Tokens, there is also evidence that reading for pleasure is the single biggest indicator of a child's future success - more than family circumstances, parents' educational background or family income).

There will also be a focus on the old and lonely, those with reading difficulties and any other marginal group. Reading sessions will be arranged under the supervision of those trained in this area which we hope will enable those who attend to experience a sense of togetherness that they may not have experienced before and to interact with others in relaxed and unpressurised surroundings.

There will in addition be a range of other potential benefits - encouraging writers young and old, raising awareness of the rich local heritage of St Helens and helping provide the townspeople with the skillset to negotiate their way in the modern world.

Our long term aim is to create a "go to" destination in St Helens for everyone with an interest in books (and indeed some who have not) and to

attract custom not just from the town but from surrounding areas on the basis that we are offering something distinctive which cannot be found elsewhere. We have negotiated an initial 10 year lease (see Section 7 - Premises) but our long term vision is to be an integral part of the St Helens community well beyond the life of that lease.

3) WHO ARE WE?

Currently we have a steering group of six persons.

Brian Leyland - Brian grew up in St Helens and was educated at West Park Grammar School. He graduated from Manchester University and then spent 10 years as an Inspector of Taxes before jumping ship to Price Waterhouse (now PwC). He worked as a tax partner in Liverpool, Manchester, Düsseldorf and London before retiring in 2010. Since then Brian has been active doing community revival work and is a director of Hometown Plus Limited and Counter Community CIC. He has also written a book “St Helens: The Great and The Good (and a few of the not so good!)”, which profiles 100 people either born, raised or educated in St Helens who have made their mark on a national or international stage. He has been a member of the St Helens Ambassador Programme since 2017.

Steven Davies - Steve is a born and bred St.Helens man, educated at Cowley Grammar School. He is a retired Retail Manager with 35 plus years of experience managing both small and large Fast Moving Consumer Goods stores. Steve has also worked as a retail advisor in the charity sector and trained as a retail auditor for Barnardos Charity. He is passionate about books.

Julia Cadman - Julia was born in Leeds and brought up in London but has lived in St Helens for many years. She has degrees in Latin and Music, a Masters in contemporary composition and also qualified and practised as both a teacher and as a solicitor. For a while before moving north (circa 40 years ago) she worked in a cycle shop in Covent Garden. She has always adored books and is passionate about the role and significance of literacy for people of all ages, and has been trained in adult literacy. She believes strongly that for society to work all members should have access to the basic skill of literacy and be able to access the vast range of knowledge, understanding and sheer enjoyment which reading brings. In her private life she has cared for many children and young people: that work is ongoing.

Anna Peacock - Anna was born in St Helens in 1984 where she has lived ever since. She qualified as a primary school teacher in 2005 and after volunteering in primary schools in St Helens for a few years took on a job as a retail assistant at Wardleworths Bookshop in 2011. Following the retirement of the previous manager Anna took on the role herself in 2016 where she remained until its closure in 2019. She relished the opportunity to get involved with setting up a community bookshop and believes it would be a great way to bring the community together and in particular to help develop a love of books in children.

Nigel Wimpenny - Nigel was born in St Helens where he attended Rivington Junior School and then Cowley. He studied History at Durham University before qualifying as a Chartered Accountant with a large firm in Liverpool. He has held senior Finance positions at Whitbread, Boddingtons and Burtonwood Brewery, where he was Finance Director. More recently he was Chief Executive of South Lakeland Parks, a holiday park business in the Lake District, and he has spent some time working in Barbados. He currently has a number of part time roles in leisure sector businesses. Since his father took him to Wembley in 1966, he has remained a staunch Saints supporter.

Mike Gaskell - Mike was born and raised in St Helens and attended West Park Grammar School. He graduated in Law from Liverpool University in 1977 and was admitted as a solicitor in 1980. He practised with firms in Liverpool, Birkenhead, Preston and Manchester, spending his last 12 years as the managing partner of the Manchester office of international law firm Trowers & Hamblins LLP before retiring in 2019. He is currently a trustee / non executive board member of three housing associations and two other charities. He is passionate about reading and literacy skills being the very basis of a happy and rewarding life.

In addition to the core group we have a number of other helpers and supporters. These include:

- a) Linsey Leyland (wife of Brian) has attended a number of the steering group meetings. She is a trained “reader leader” for The Reader Organisation and is hoping to run groups from the bookshop. She also has a background in interior design and will be helping with the fit out and design of the unit.

- b) Mike Riddell is Brian’s partner in the community revival businesses Hometown Plus Limited and Counter Community CIC. He is a Chartered Surveyor by background with long experience in shopping centres and is helping with the negotiation on the terms of the lease.

- c) Danielle Molyneux – Dani grew up and was educated in St Helens and works now as a graphic designer with her own studio in Manchester. She is supporting the core team and Linsey with the design and fitout work required. Dani was also formally engaged to carry out the brand work and was responsible for developing the logo we are now using.

- d) Lynne Bold is a retired teacher and literacy consultant who was involved in delivering the government’s literacy strategy. She has been passionate about reading all her life, spent her childhood avidly reading and her adult life first teaching children to read and then training teachers how to promote reading in their schools. Since retirement Lynne has been reading stories for pleasure to residents in a retirement village so has now covered all ages! She is looking forward to extending her passion through story telling activities in the community bookshop.

- e) Victoria Redfern (Brian’s daughter) is a primary school teacher with a degree in art. She was responsible for the artist’s impression of the bookshop now being used and she has offered to put together an

interactive Horrible Histories map of St Helens inspired by a similar map in the Kingsley and Co bookshop in Bootle.

We also have the names of about half a dozen people who offered to volunteer in the shop, some in response to the first article which appeared in the local press plus others who have offered to get involved since the social media campaign began. Some of these are current or retired teachers who have offered to get involved with children's reading sessions.

We have had numerous messages of support in addition from other community organisations and individuals who are well known in the town. More detail is provided later when we deal with the promotion of the bookshop and the share issue we will be undertaking to provide the initial funding.

4) HOW DID THE PROJECT BEGIN?

Following the closure of Wardleworths as referred to earlier, Brian Leyland suggested to the Council that, given that the Council now owned two shopping centres in the town, both of which had empty units, it would make sense to make one of these available for a community bookshop. It was suggested that the rent should be calculated as a percentage of turnover. This would have the advantage that the business would not be crippled by high rentals during its early years and would also align the interests of the Council as landlord with those of the tenant in that both parties would benefit from the success of the venture.

The Council reacted positively and the process of identifying a suitable unit began. This was more time consuming than originally anticipated as we were not initially made aware that the shopping malls closed each night at 18.00 and only in exceptional circumstances is evening opening permitted. As it is our intention to have a regular programme of evening events, that meant that we would require a unit facing outwards onto the street. We did however finally identify a unit which we believe can be configured in the manner we require. More details are provided in Section 7 - Premises.

In the meanwhile, we set up a steering group, created a corporate entity which will run the shop, researched numerous bookshops, considered their differing business models, explored funding possibilities and registered with various organisations both in the book and community sectors. It has been a long hard road with many obstacles along the way (not least COVID 19) but we are determined to get there and convinced that the reward at the end will make it all worthwhile.

5) WHAT ARE WE PROPOSING?

Our proposition is to open a shop which has something to offer everyone.

The core business will be the sale of new books including (but not limited to) bestsellers (both fiction and non fiction), travel books, local history and textbooks. We intend to set aside a dedicated area for children where they will be allowed to play, browse and familiarise themselves with children's literature. It will be our intention to make this area as interesting and appealing as possible to young children to ensure that a visit is a positive experience. This should mean that not only will they want to make future visits but that they will associate in their own minds books with a fun experience. We will also be running regular children's reading groups as well as reading groups for adults to help attract the elderly and lonely.

There will be second hand books on sale, but generally only those of particular local interest or which are out of print. It is not our intention to compete with the many charity shops which already sell second hand books and for whom this can be an important source of income.

We will also be selling cards, posters, diaries and other ancillary goods, especially those with a local dimension.

There will be a tea / coffee area which will be run on our behalf by Momo's a well known community cafe in St Helens, where people will be encouraged to stay, browse and, if they are so minded, indulge in conversation with other customers.

Finally we will have an events area which will host book club meetings, storytelling, author book signings, talks and other evening activities. It is the intention to make this space available to other community groups to use for their own gatherings, which might be musical rehearsals, exhibitions by local artists or indeed any other activity for which there is a demand for space.

Our objective is to create a destination where people feel welcome and comfortable, somewhere they are happy to spend time and, if they so choose, to engage with others - in short a community hub which will help drive footfall to the area and play its own part in the revival of the town centre.

6) STRUCTURE AND CORPORATE GOVERNANCE

We have set up a Charitable Community Benefit Society after researching extensively the various options available - we looked for example at a Charitable Incorporated Organisation, a Community Interest Company (both limited by shares and limited by guarantee) or a simple company limited by guarantee.

The main advantage of a Community Benefit Society from our perspective is that it is the best vehicle to facilitate a community share issue which we believe could be very successful in our circumstances. We have registered with HMRC as a Charitable Community Benefit Society, which will accord us a number of tax benefits, as well as providing us with mandatory business rates relief from the local authority (in the absence of charitable status such relief would be discretionary only). HMRC has agreed in principle that we will qualify for charitable status subject to some changes in the wording of our Objects clause which we have now made and filed with the Financial Conduct Authority. We are currently waiting for the FCA to process these and will then be asking HMRC to confirm formally that we have been accorded charitable status.

There are some disadvantages to operating as a Charitable Community Benefit Society. For example, it is regulated by the Financial Conduct Authority rather than the Charities Commission and as such does not have a registered charity number which it can display to make the public aware that it has charitable status. We understand there can also be hurdles when applying for grants as some funding bodies are not familiar with Community Benefit Societies and do not understand the structure. It was, in addition, was slightly more expensive to set up. However in our view the potential advantages significantly outweigh the disadvantages and hence we decided to proceed on this basis.

The name of the society is “The St Helens Book Stop Limited” and we will be adopting “The Book Stop” as our core brand. There will be a number of variations of this – the shop itself will trade as “The Book Stop’s Here”, denoting its physical location but we will also be using “The Book Stop at school”, “The Book Stop at the library” and so on. We are aware that there was a company already in existence called “The Book Stop Limited” which had been incorporated as recently as 6 August 2019” but this was recently dissolved. Also a German company trademarked the name “Book Stop” in 2008 but does not appear to be active in any way in this country. There are moreover a number of bookshops in the UK which include the words “Book Stop” in their name and which appear to have traded without any challenge.

The only operation that we have found in the UK using “The Book Stop’s Here” is a stall in Preston Market.

We have taken legal advice on this and are informed that in all likelihood we should be able to proceed on the basis that we propose without a problem.

These are the Objects of the Society as set out in its constitution as first enacted:

- to provide a community bookshop and associated outreach activities in the town of St Helens to enhance reading and literacy opportunities in the community
- to encourage an appreciation of literature and to promote reading for pleasure amongst all age groups in the town
- to introduce children to the joy of reading at an early age by providing a dedicated space in which they have access to books suitable for their own age group
- to offer opportunities to engage with reading material for adults and parents and carers with children who struggle with literacy thereby supporting the development of literacy in the community.

- to promote social inclusion by providing a community space which allows people to meet informally and which acts as a vehicle for developing community adhesion by promoting local events and social and charitable activities.
- to provide an ethical business activity and social enterprise that welcomes all individuals to be involved either as volunteers, supporters or customers.
- to raise awareness amongst the townsfolk of the rich local heritage of St Helens as a historic Lancashire industrial town
- to use profits to support local charities and good causes that benefit the inhabitants and visitors to St Helens.

We have set out the original version because in the view of the trustees they capture the full essence of what we are trying to achieve. However after discussion with HMRC the Objects have now been amended as follows:

- To advance education amongst children, young people and those with learning difficulties in St Helens through the provision of a bookshop and outreach activities to enhance reading and literacy opportunities in the community.
- To advance the appreciation of literature amongst the public of St Helens by providing improved access to books of all kinds and through related events and activities which will appeal to every sector of the population.
- To encourage and develop the public understanding and knowledge of the rich local heritage of St Helens as a historic Lancashire town
- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those who are already socially excluded and assisting them to integrate back into society.

The Society is managed by the Trustees, of which there is a minimum of three and a maximum of nine. The first Trustees are the subscribing members of the charity (Brian Leyland, Steve Davies and Julia Cadman who are all members of the steering group) whilst subsequent appointments will be made by the Members or co-opted by the existing Trustees (in which case their appointment needs to be ratified by the Members at their next meeting). One third of Trustees will retire at each AGM and will be eligible for re-election. The Members also have the power to remove Trustees by resolution, although this is not common practice except in extreme circumstances.

One Trustee will be appointed to oversee the operational management of the shop and liaise with the Manager. This Trustee will regularly report to the Board of Trustees.

Frank Cottrell Boyce, the award winning author who grew up and was educated in St Helens has recently agreed to be a trustee although he has not yet been able to attend any of our steering group / trustee meetings.

We recognise that it is important to recruit additional trustees before our next AGM, both from a corporate governance perspective and also from an operational perspective. One reason for this is that all of the current trustees are in their mid to late sixties and it is important that we introduce younger people, both to ensure it is properly representative of all the members we hope to have and also from a succession point of view. It is currently our intention that when the community share issue is launched, we will be inviting those who have subscribed, and are interested, to apply for a position as trustee. We will also ensure that this is communicated also on social media and in any press coverage.

As a membership society, the involvement of members will also be critical to the overall success of the venture. The more members we have, the more people will have a vested interest in its success. Our objective is to have as wide as possible ownership of the Society so that we are able to promote it on the basis that not only that it is being run for the benefit of the community, but also that it is genuinely owned by the community.

Our intention is also to involve the members as much as possible in running the society and we are exploring practical ways in which we might do this. Clearly we will give priority to those wishing to volunteer who are existing members (or who agree to become members) but that will not work for everyone so we will be looking at other ways in which they might participate. This will include:

- potential Board membership
- the opportunity to attend the Annual General Meeting
- an online forum for comments and suggestions
- periodic meetings to enable them to contribute feedback and ideas in person
- sub committees on which Members who are not directors might sit
- the opportunity to run book clubs and other initiatives.

The society is structured so that the minimum shareholding may be decided by the Trustees but is set at a minimum of 50 in the Rules of the Society. For the purpose of the initial community share offer the minimum will be 50 and the maximum 5000. There will be one exception - we will allow an institutional investment of up to £45,000 from the Community Shares Booster programme. These shares will be held by Co-operatives UK on the same terms as other Members with one exception – in circumstances where interest is paid to shareholders in the form of book tokens, it will be paid to Co-operatives UK in cash. It should be noted

however that the voting rights attaching to a shareholding are one member one vote, irrespective of the size of the shareholding.

Membership will initially be open to investors purchasing shares as part of a community share issue (see Section 13) Funding) which will be targeted primarily at the general population of the town (and expatriates who follow the town's fortunes via social media). However we will also be targeting a range of well known persons with links to St Helens from across the worlds of industry, sports and the arts with a view to obtaining larger commitments from them. The intention is that these commitments will have the effect of underwriting the share issue. If, as we hope, the issue is oversubscribed, we will then scale back all commitments over and above the minimum £50 which will have the effect of leaving us with the maximum number of shareholders possible.

Once the business is up and running, it is our intention to re-open membership to encourage an even broader shareholder base and to provide funds to meet any withdrawals which the trustees permit.

The membership business model is one that is increasingly being adopted on the basis that it:

- a) encourages loyalty, meaning recurring revenues which can help smooth out the peaks and troughs in annual sales.
- b) builds a more direct relationship with customers as well as strengthening the brand by putting customers at the centre of the organisation.
- c) generates an ongoing datastream that can be used to improve services and identify opportunities to increase customer satisfaction.

The Trustees will ensure that a growing membership does not create the problem of the Society being over-capitalised and paying more interest than is necessary. We have the power to issue classes of shares under different terms with a reduced minimum shareholding requirement and a cap on maximum shareholding. Options include a future Membership offer to regular volunteers for a £1 share which bears no interest, which would require a Rule Change. The Members will be consulted by the Trustees before any decision is taken about offering new classes of share with a clear statement regarding the impact such Membership offers would have on existing shareholders' capital and interest.

7) PREMISES

After visiting a number of units offered to us by the Council in both the Church Square and St Mary's Shopping Centres we have settled upon premises located at 11 Bridge Street. This is right in the middle of the town and looks out onto a main shopping thoroughfare. The post office, several bus stops and a Boots department store are close by. It is a corner unit with plenty of window space which can be used to attract customers and is bright and airy on the ground floor inside. There is a first floor area with toilets but which was previously only used for storage purposes. Each floor measures 21 x 7.5 metres with a cutaway for the stairs on the ground floor of 9 x 1.2 metres.

On the ground floor the frontage looks out onto the shopping street and one of the adjacent sides, also glazed, looks out onto an access road for a multi storey car park. There may be scope to have an outdoor eating and drinking area at the front of the shop if the Council consents.

The premises are not in a particularly good state of repair as they were abandoned by the last tenant and the Council has not yet done any restoration work. We have visited the premises with the Council's surveyor and they provided an initial schedule of works which are required.

As things stand the toilet facilities and water supply are all on the first floor which can be accessed only by a staircase. This area has no natural light, no heating and no ventilation. Our plan however is to locate the cafe / refreshment area on the ground floor and we have factored into our plans the cost of installing a water supply, disabled toilet and two hand basins to the ground floor. The toilet area on the first floor will however be refurbished so that it can be used as overspill when numbers demand this

and the longer term aim will be to make the whole first floor area suitable to hold events, music rehearsals, exhibitions, group meetings and to be available to hire out to community and other organisations.

Negotiations with the Council's agents on the terms of the lease were lengthy but heads of terms have now been agreed as follows:

- 1) A 10 year term with a break exercisable annually by the tenant after 5 years (on 3 months' notice but otherwise unconditional) and a landlord break exercisable annually after 5 years on 12 months' notice but only in the event that the landlord can demonstrate a firm and settled intention to demolish the building of which the unit forms part and the ability to bring that demolition about within 12 months of the date of exercise.
- 2) In the event that the landlord exercises the break clause prior to the end of the lease, then the landlord will a) use best endeavours to find and offer alternative suitable accommodation within the ownership of the Council on terms no less favourable than this lease and b) pay a penalty of £20,000 (if exercised after 5 years, reducing by £2,000 per year thereafter).
- 3) The lease will be outside the security of tenure of ss24-28 Landlord and Tenant Act 1954.
- 4) The tenant has the ability to assign the lease or to sublet but for the whole unit only.
- 5) The tenant has the ability to grant concessions and / or room hire up to 50% of the floorspace, subject to no landlord and tenant rights being created.
- 6) The business rates are the responsibility of tenant
- 7) The rent (inclusive of service charge) will be calculated as 15% of sales net of VAT payable monthly in arrears but will be capped at £25,000 for years 1-3 and at £30,000 for years 4 -5. An independent open market rent review will take place after 5 years and the amount arrived at will be

adopted as the cap for years 6-10 (although the cap cannot be less than £30,000 per annum)

8) A fair proportion of the building insurance premium is payable by the tenant to the landlord (other insurances are the responsibility of the tenant)

9) The landlord is responsible for repairs to the structure, and the tenant for repairs to the interior, shop front branding and signage. The tenant's liability to repair and yield up at the end of the lease is subject to a Schedule of Condition.

10) The landlord will ensure that all electrical installations, fire alarm and sprinklers are working and provide satisfactory certification of such. The landlord will also make a payment to the tenant of £25,000 (plus VAT) to enable to tenant to carry out such works as are required to bring the unit to the tenant's desired standard, such work to be scheduled and agreed by the landlord in advance of commencement of work. £12,500 will be paid 5 days after the tenant begins the work and the balance 5 days after the unit opens for trade.

11) Tenant to be permitted to install water supply, disabled toilet, and two basins to the ground floor - plans to be approved by the landlord in advance of the work being carried out. Tenant to leave these in good state of repair at the end of the lease.

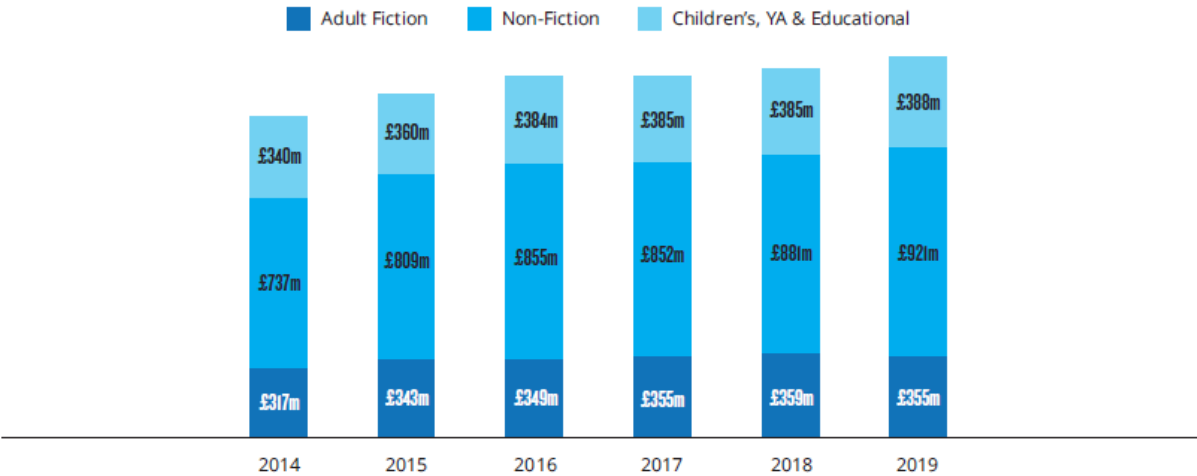
There is plenty of car parking in the town centre (indeed the Tontine multi storey car park, the entrance to which is adjacent to the shop, has just re-opened) although the proximity to the bus stops means that many will be able to use public transport to visit the shop. The Council has also indicated that it might be possible to locate one or two disabled parking spaces right outside the unit.

The Council has given us consent to use the address of the unit to register with various organisations (e.g. HMRC, The Booksellers Association) in advance of the lease being formally agreed and signed.

8) WHAT ARE THE PROSPECTS FOR AN INDEPENDENT BOOKSHOP AND WHAT COMPETITION DO WE HAVE?

The market for printed books in the UK, the death of which many were predicting in the early 2000s, has in fact been growing slowly for the past few years.

PRINT BOOK VALUE SALES THROUGH BOOKSCAN



Source: Nielsen BookScan

The total sales for 2017 were £1.59 billion consisting of 187.0 million books and in 2018 this rose to £1.63 billion in sales, made up of 190.9 million books. In 2019 sales had risen to £1.66 billion and the number of books sold had risen to 191.6 million. These figures suggest that the upward trend is ongoing rather than an isolated occurrence. It also mirrors a similar upward trajectory which is taking place in the United States so this may be a worldwide rather than local phenomenon. It should be noted as well that the Publishers Association² reported increased print book sales in 2019

It is difficult to be precise about the share of the market held by independent bookshops. In 2012 it was as low as 3.4 per cent and was on a clear downward trend. The number of independent shops also reflected this, having reduced from 1894 in 1995 to just 867 in 2016. However in 2017 this trend was arrested when there was an increase of one shop to 868. In 2018 the number rose by 15 to 883 and then again in 2019 to 890.³ The geographical spread of these shops indicates that it is a country wide trend and not restricted to the metropolis or to large cities, with new shops opening in London and the home counties, Ireland, Scotland, Wales, East Anglia, the West country and the North. This suggests that it is indeed possible to operate and run a profitable operation if the formula is right. This trend is reinforced by the fact that two thirds of independent booksellers reported increased sales for Christmas 2019 as compared with 2018, despite the footfall in town centres being down on the previous year.

²<https://www.publishers.org.uk/2019-a-record-breaking-year-for-publishing/>

³<https://www.theguardian.com/books/2019/jan/07/independent-bookshops-grow-for-second-year-after-20-year-decline>

A definite positive for our venture is that there is currently no direct competition from a specialist bookseller in the town. Neither Waterstones nor WH Smith is represented and, as noted earlier, the independent bookseller Wardleworths closed its door in the summer of 2019. This situation is not likely to change in the near future given that large retailers are at present leaving rather than coming into the town. If the recently announced partnership of St Helens Council with the English Cities Fund (<https://www.sthelens.gov.uk/news/2020/march/06/st-helens-council-and-the-english-cities-fund-join-forces-for-borough-wide-regeneration-proposals/>) does deliver the regeneration that we all seek, then the situation could change. However we would hope and expect that by the time these benefits start to become evident our bookshop will already be well and truly established, on a firm financial footing and well placed to take advantage of the benefits of a successful town centre regeneration.

There is however inevitably fierce competition for book sales from elsewhere, notably:

- 1) Online retailers, especially Amazon which is now the “go to” bookseller for many readers
- 2) Discounted book sales from supermarkets.
- 3) Other non specialist booksellers e.g. “The Works” and various charity shops.

We will not be able to compete on price with any of these - instead we have to distinguish our offer in other ways. The following are the critical success factors which we believe will enable the bookshop to operate profitably and to achieve its objectives.

- The bookshop must be perceived as a community asset - one which exists not just for the benefit of the community but whose ownership is also widely spread across the community. The announcement that there were plans to open a community bookshop has attracted a huge amount of positive comment and many offers of support - it is important that we harness this goodwill and use it as a foundation in building a profitable operation.
- Wardleworths had many loyal customers and we must make every effort to ensure that they transfer their loyalty to the new bookshop. Whilst on their own they are not numerous enough to make up a profitable business, they could nonetheless form the nucleus of the customer base which we can in the fullness of time grow into a strong and loyal following. The involvement of Anna Peacock who was the manager at Wardleworths and who is still in touch with many customers will be helpful here but we also expect that our promotion (which we cover later) will in any case reach the vast majority of these in some way.

- It is essential that a visit to the bookshop is a positive experience for customers and potential customers. Only by creating such an experience will we be able to compete with other booksellers. The experience must begin as soon as a visitor enters the shop in that he or she must immediately feel welcome. This welcome must not be intrusive and may be as simple as a “Good morning” with a smile. It will be incumbent on every member of staff and every volunteer to be ready and willing to engage with customers but also to know when to step back if someone simply wants to browse without being disturbed.
- One thing that has been made clear to us by other successful bookshops is that it is very unlikely that the sale of books alone will be enough to create a profitable operation. The shop must also run a successful events programme, ranging from children’s reading classes, book club meetings, author talks and book signings or perhaps just simply room hire to organisations without their own meeting space e.g. local history societies, arts groups etc. There may also be opportunities to attract funding directly to address documented literacy issues in St Helens as an area of deprivation.
- We have taken on board advice that the sale of greetings cards, posters, CDs/DVDs, badges etc which have a higher gross profit than books can make a worthwhile boost to profitability without a large amount of investment in either time or cost. The latest market report from the Greeting Cards Association (2018) reported that “The vast majority of greeting cards are still bought in bricks and mortar stores, rather than online and they remain an important, highly-profitable product for all manner of retailers,”

- We must have a credible and user friendly online presence and have a very clear and well thought strategy regarding online sales and in particular the sale of e-books. The EPOS system will allow inventory to be uploaded and updated on our own website or through third party sites such as Google shopping. In addition to making stock available through the website as “Click and Collect, the timing of the recent launch of www.bookshop.org, which has been set up as an alternative to Amazon with the stated objective of supporting independent bookshops, works perfectly for us. We will be registering as a member so that customers can make book orders online through our website which will be fulfilled by Bookshop Org but the profit from which will be paid directly to us.

9) WHAT RESEARCH HAVE WE DONE?

We have visited and / or corresponded with a range of bookshops and other book related organisations with quite different business models with a view to trying to learn something from each which we can then incorporate into our own business plan.

SIMPLY BOOKS BRAMHALL

This has been described as the “gold standard” in independent bookshops. We met with the owner who was extremely helpful and took us through his own business model and outlined what he thought were the success factors. Simply Books is located in an affluent area in South Manchester so it would be unrealistic to expect to transplant exactly what they are doing into St Helens but there were a number of learning points from their experience that we found useful in putting together our own plans.

THE READER ORGANISATION

Based in Calderstones Park in Liverpool, The Reader Organisation is a national organisation which encourages adults to read and has grown to include family and children’s work. They have taken over buildings in Calderstones gifted to them by Liverpool City Council where they have developed a successful ‘Story Barn’ for children, café and ice cream shop and are in the process of developing the old Calderstones mansion. They also have teams of workers working across Merseyside and beyond who teach community groups how to engage people in reading. The Reader has expressed an interest in using the Community Bookshop in St Helens as a base for their own activities in the town.

KINGSLEY AND CO.

Kingsley and Co is a dedicated children's bookshop located in the New Strand Shopping Centre in Bootle. It is operated by the charity Ykids with its purpose being to offer an alternative space to encourage children to improve their emotional and academic literacy through story and imagination. It offers a range of workshops, after school projects, family story time, author visits and events with the objective of promoting wellbeing, emotional resilience and life opportunities by encouraging children to gain a joy of reading, develop verbal and written skills and confidence.

The bookshop has a Victorian explorer steampunk theme and is designed as a place to inspire the imagination. As well as the main area which sells high quality second hand books for £1, Kingsley and Co has a small café and a hidden steampunk submarine themed classroom. It also provides a place for local authors to showcase and promote their books and has a number of sponsors including Frank Cottrell Boyce. The shop has a quirky, Victorian and futuristic feel with moving bookcases, doors to nowhere, a Victorian sweet shop and fairy tale merchandise such as dragon ear wax, fang floss and unicorn droppings and is decorated with old and unusual curios.

Although our own project has much wider objectives, given that we too will be focusing on children's literacy there are plenty of takeaways for us from the Kingsley and Co experience, not least the design and appeal of the shop to both adults and children alike. As a follow up Claire Morgens, CEO of Ykids and the main mover behind the project, came to visit us and view our unit, sharing her ideas on design and layout and how we might create a theme with which all of the different sectors of the population could identify.

CREDITON COMMUNITY BOOKSHOP AND GEORGE STREET COMMUNITY BOOKSHOP

We have not visited Crediton but have corresponded with the Crediton Community Bookshop by email, whilst one of our supporters made a brief visit on our behalf to the George Street Community Bookshop (which is based in Glossop) and we have been able to do some quite extensive online research into its business model. Both of these bookshops have been set up as Community Benefit Societies and both have funded their operations primarily via a community shares issue which is exactly what we want to do.

Crediton is a town in mid Devon with a population just short of 8,000. It managed however to raise £36,000 from 300+ investors (so an average of just over £100 per investor). Glossop and surrounding areas is bigger (population circa 50,000) and the bookshop raised £25,150 from its community share issue with matched funding of £24,850 being obtained from the Community Share Booster Unit. With a much larger population and with the appropriate level of promotion, one would expect that a community share issue in St Helens would certainly be capable of raising £50,000 plus.

Helpfully the website for the George Street bookshop contains links to the share offer document, their business plan, the Society Rules and a presentation linked to the share issue.

NEWS FROM NOWHERE

News from Nowhere is a radical bookshop on Bold Street in Liverpool. It is structured as a women's workers' co-operative and is committed to social justice, with the aspiration that the literature they stock will encourage readers to make positive changes in the world. It has been operating for

many many years and latterly has benefited greatly from the development of Bold Street into a restaurant / bar leisure destination. Two of the main movers behind this bookshop came to address one of our steering group meetings and very helpfully shared their experience with us.

WARDLEWORTHS

Steve and Anna from the steering group have been in regular contact with the owner of Wardleworths who lives in Cardiff but is providing support and advice as we go along on a range of issues. He also runs a wholesale business and we are exploring the possibility of using him alongside our main wholesaler.

OCTOBER BOOKS

This is a bookshop based in Southampton with which our Community Shares Practitioner is involved. They have very helpfully provided to us a copy of their current business plan and their most recent set of accounts.

10) WHAT PLANNING AND PREPARATORY WORK HAVE WE DONE?

WHOLESALEERS

We contacted some time ago the two main wholesalers with whom we expected to do business in order to put them on notice that we will shortly be applying to open an account with them. Since then one of these (Bertrams) has gone into administration as a result, in part at least, of the COVID 19 outbreak. The North West sales representative of the other main wholesaler, Gardners, actually lives in St Helens. We have been in contact with him for some time and have now agreed a timetable with him for registering our business. He has also offered to provide some guidance on the make up of our initial stock order which, given that he will be familiar with the demographic breakdown of the town, should be really helpful. We have also been in discussion with the Gardners IT contact and have obtained a full quotation for their Gardlink and EPOS systems which, as things stand, we intend to accept.

Quite separately we have been in regular contact with Camelot Books. This is a company based in Cardiff and is the one owned by the same person that owned the Wardleworths bookstore in St Helens (as referred to earlier). Again, we will be obtaining some guidance from him in relation to the initial stock order.

OTHER

We have consulted far and wide in an attempt to gain from the experience of others, to study the various business models and then to distill all the information that we have obtained to try and arrive at the best way forward for us, as well as laying a foundation for the bookshop once opened. A sample of what we have done is set out below:

- 1) attended a new start up workshop run by the Halton and St Helens VCA and signed up for their fortnightly bulletin.
- 2) met with the St Helens Chamber to obtain advice and establish how they might support us,
- 3) joined the St Helens Ambassador Programme
- 4) attended the St Helens Business Club meeting on 16 January
- 5) registered with the Community Shares Unit (<https://communityshares.org.uk/>) and obtained a development grant of £10,000 which was utilised to pay professional fees to bring the Society to a “investment ready” status. We also obtained a provisional offer to match fund our share issue.
- 6) spoken with the Schools Liaison officer at St Helens Council about the possibility of setting up a rolling programme of school visits to the bookshop.
- 7) spoken with the Libraries officer at the Council - it should be noted that St Helens Borough Library Service is an Arts Council England National Portfolio Organisation - one of only six such library services in the country.
- 8) consulted with Trustech (<https://www.trustech.org.uk/>) who have provided us with a list of funders who will provide grants to community benefit societies operating in the same arena as ourselves.

- 9) made a successful application to the Steve Morgan Foundation for assistance with the payment of the bookshop manager's salary for the first three years of trading.
- 10) attended a discussion hosted by Heart of Glass for businesses with a strong community and social purpose.
- 11) met with the Halton and St Helens VCA to discuss what grant funding might be available to us
- 12) Joined the Booksellers Association and purchased a copy of the book "How to Start and Run a Bookshop" from them.
- 13) Registered for two attenders at their "Introduction to Bookselling" course in London on 6 February 2021.
- 14) Engaged Brabners (<https://www.brabners.com/>) as our legal advisers and Livesey Spottiswood (<https://www.lsonline.co.uk/>) as our accountants.
- 15) Engaged Studio Dotto (<https://dotto.studio/>) to develop a brand and logo.
- 16) Registered with Crowdfunder to host the community share issue.
- 17) Arranged to listen into the regular Webinars which Nielsen Books holds covering all aspects of the book industry.
- 18) Registered with HMRC and reached agreement in principle that we would qualify for charitable status with a few small amendments to the Objects clause in the Society Rules.
- 19) Registered with HMRC for VAT
- 20) Appointed Brabners as legal advisers and Livesey Spottiswood as accountants
- 21) Made contact with St Mary and St Thomas which is a junior school located within walking distance of the bookshop. It is a school operating in a deprived area which is rated outstanding by OFSTED and which was featured on the national BBC News at Ten in August this year. Part of the focus was the struggle that some of the children were having to keep up with their education during the lockdown and we hope to help plug that gap in their education by arranging regular reading classes in the bookshop

CAFE AREA

We are engaged in ongoing discussions with the community cafe “Momo’s” which is also based in St Helens (<https://www.facebook.com/momoscafeandcoffee/>) about the arrangements for them to operate the cafe area in the bookshop.

ENVIRONMENTAL HEALTH

We have met with and discussed the environmental health requirements with an officer, with particular emphasis on the requirements which follow from our decision to include a refreshments area.

11) THE IMPACT OF COVID 19

This project began in the autumn of 2019 and the original intention was to open at some point in spring or early summer 2020. In the event the COVID 19 outbreak meant our plans had to be shelved, and indeed, for a number of weeks it was not possible to progress the venture in any way. As lockdown eased we were able once more to pick up the reins and although we were initially hopeful that we might open in November 2020 in time to benefit from the Christmas period, the continuing uncertainty around the removal of restrictions and the impact that restricting the number of people in the bookshop and at group events would have on our business plan, led us to conclude that we should defer the opening until March 2020.

It is too early for us to predict with any certainty what the consequences of COVID 19 will have for independent bookshops. It undoubtedly hit the sector hard, although many independent bookshop owners came up with innovative ideas for staying in touch with customers and continuing to sell books during the period when they were closed. On the positive side the lockdown coincided with a big surge in book sales, albeit that the great majority of these were online sales. The challenge to the bookshop industry is to convert that increased interest in books into increased sales in the shops themselves.

There was definitely a promising start in the first weeks of opening post COVID. In the first week commencing 15 June, sales were up 30% on the corresponding week for the previous year⁴ and the number of books published on 3 September was 600, up one third from the previous year⁵.

⁴ <https://www.theguardian.com/books/2020/jun/23/were-back-in-business-uk-bookshops-see-sales-soar>

⁵ <https://www.theguardian.com/focus/2020/aug/16/literary-world-overwhelmed-by-600-books-to-be-published-on-one-day>

Concern has been expressed on a number of fronts – for example, it has been suggested that this will not be good news for minority authors and also that it may benefit the publishers with the deepest pockets. Similarly, independent bookshops must ensure that they are not squeezed by the large chains and online retailers and that they are sufficiently innovative to ensure that they get their fair share of any increased book sales.

12) FUNDING

We plan to carry out a community share issue which will involve issuing shares to members of the community who wish to support the venture. As noted above, the experience elsewhere would suggest that we should be able to raise the funding we require. We registered some months ago with the Community Shares Unit which runs the Community Share Booster Programme which is in turn funded by Power to Change, an arm of the National Lottery. We were awarded a development grant of £10,000 to help us become “investment ready” and subsequently received an offer of up to £45,000 matched funding for the share issue. This will be in the form of an issue of shares to the Community Shares Unit on broadly the same terms as the shares issued to other community shareholders. We will benefit from ongoing support and advice from the Unit as an active shareholder.

We have registered with the online platform Crowdfunder to host the share issue. We will also be producing the share offer document in hard copy with paper application forms for those who are not IT literate.

The share offer document will make very clear that this should not be viewed as a financial investment, rather as an investment in the community. It will also make clear that it is not appropriate for those who may need to redeem their investment in the short to medium term.

We will be paying interest at 2% per annum in the form of book tokens only redeemable in the bookshop for the first three years (with the exception of the interest paid to Co-operatives UK which will hold the shares issued as part of the matched funding. After this we will be introducing a cash option at a rate to be determined for those who do not wish to take book tokens.

We have no plans to begin the process of allowing withdrawal of the shares until year 6 but expect to be able to fund any withdrawals which are made in the early years through a combination of new shares issued and cashflow available from profit generated.

We also expect that the investment in shares will qualify for Social Investment Tax Relief (“SITR”) which, inter alia, will enable investors who are within the charge to UK tax to claim back 30% of the value of their initial investment. If they continue to hold the investment for at least 3 years, the tax relief will not be clawed back on the withdrawal of shares. We have applied for advance assurance from HMRC that the investments will qualify but have not yet received confirmation. Investors should not therefore invest if the availability of SITR is critical to the decision. It should be noted also that SITR is not available to employees or trustees / directors of the society.

The funds raised by the share issue will be spent in the following areas.

- Work required to the premises to enable it to operate as a bookshop with cafe. The landlord has agreed to make a payment to us of £25,000 to enable us to restore the premises to a standard which will enable us to occupy it. There will however be work over and above that which is specific to our needs, notably the installation of a water supply to the ground floor plus two hand basins as required by Health and Safety and a toilet which is equipped to accommodate disabled customers. There are two further toilets on the first floor but at present they have no disabled access. We have estimated the cost of this work (based upon a quote by a local building contractor) as £7500.

- Fit out costs to the premises (bookshelves, counter, chairs etc, children's play area). According to the Bookseller's Association the average cost for a bookshop with a floorspace of 1000 square feet is £25,000. Our floor space is approximately 1500 square feet but part of that space will be utilised for the cafe area. We are also going for a stripped down industrial chic look so will be using in part industrial crates to house some of the books and our expectation is this will result in a saving of costs. In this connection Linsey has visited a very successful bookshop in Obidos, Portugal (which is a UNESCO City of Literature) in which all the bookshelves consist of industrial crates. On this basis we believe that £22,500 will cover the costs, notwithstanding that it is lower than the range suggested by the Booksellers Association.
- Purchase of initial stocks which we have estimated at £35,000. Although we have assumed that this will all be paid out up front, in practice it may be staged over the first few months of trading.
- One off start up costs (incidental purchases, legal costs, shop equipment, website, accounting systems, marketing and promotion) which we have estimated at £12,250).
- Fees for use of the Crowdfunder Platform to manage the share issue £2,250
- Working capital and a contingency of £5,500

We also had extensive discussions with the Steve Morgan Foundation following which we made a successful application for funding to cover the cost of a bookshop manager for the first three years of operation. On the basis that we will employ the bookshop manager from 1 January 2021, this

will take us to 31 December 2023. The amount to be paid will reduce on a sliding scale, with £28,000 for 2021, £25,000 for 2022 and £22,000 for 2023, making £75,000 in total.

Further grant funding will be sought in future years to cover salary costs or to enable us to improve the premises e.g. the installation of a lift (although we would also be looking for a contribution from the landlord for any work which will be reflected in the value of the premises at the end of the lease) and it will also be subject to some guarantee of security of tenure. Awards For All have provided funding for community bookshops to improve access to community space but there are also other organisations such as The Coalfields Regeneration Trust which may be prepared to assist.

We are also advised that grant funding may also be available to provide a programme of community events addressing local needs (e.g. literacy).

Whilst future funding cannot be guaranteed, the fact that St Helens is classed as a deprived area and has literacy levels below the national average is certainly likely to help any application that we make.

As most of the initial expenditure will depreciate over the period of the lease and will have little or no value at the surrender, we will need to build up value in the Society in the form of cash reserves to enable withdrawal of shares.

The initial fundraising is anticipated to be as follows:

Works to premises	£7,500
Fit out costs	£22,500
Stock	£35,000
Other start-up costs	£12,250
Working capital and contingency	£5,500
Crowdfunder fees on £80,000	£2,250
Total	£85,000

Other start up costs are made up as follows:

Branding / logo	£2,000
Website with e-commerce functionality	£4,500
Gardlink EPOS system	£2,000
Repay existing director loans	£1,500
Professional fees	£1,000
Sundry	<u>£1,500</u>
Total	£12,500

Sources of finance

Optimum

Community Shares	£42,500
Booster programme match	£42,500
Grants	Nil
Total	£85,000

We have set a minimum target of £80,000 - in that case we would reduce the initial stock purchase by £5,000 but maintain other costs as planned. Our maximum is £90,000 and in the event that we hit the maximum we will utilise the additional funds to carry out further improvement work to the premises.

Note that we will keep the share offer open, even if we exceed our target, until we have the maximum number of shareholders which an investment of £50 will accommodate. As noted elsewhere, the larger commitments will all be scaled back in this regard.

13) HOW WILL WE PROMOTE THE SHARE OFFER AND THE BOOKSHOP?

We have already set up a Facebook page to keep those who have shown an interest apprised of progress – each of the posts has reached nearly 1000 persons. This has prompted a huge amount of interest from a range of people - some just wanting to support the business as customers, some who have volunteered to help and also a few authors who have asked if we can stock their books. A Twitter account was created more recently which now has 173 followers and we will be looking to build upon that number over the coming weeks. We have purchased the domain www.sthelensbookstop.co.uk and have set up a one page site which will enable potential members to access the share offer document, the business plan, the Rules of the Society and the manager's job description. Simon Mulligan of the St Helens Star, who has already run two articles about the bookshop, will continue to support the project and Local Life (<https://www.locallife247.co.uk>) will also be running an article in the next couple of weeks.

The Council, which does of course under the terms of our lease, have a vested interest in the success of the venture, has been supportive of our plans and we expect they will assist also in its promotion. The St Helens Council has nearly 20,000 followers on Twitter and many of the senior individuals (including the Council leader David Baines who has also been very supportive and indeed volunteered to be an ambassador for the bookshop) have their own Twitter accounts. Gary Maddock, the Town Centre manager, who works for the Council, has been in regular contact and will be helping us connect with others in the town whilst our membership of the St Helens Ambassador Programme will enable us to keep the network informed of our progress and timetable via the regular meetings which take place. Gary has also offered to make contact with the world famous John Rylands library in Manchester (John Rylands, Lancashire's first cotton millionaire and a pivotal figure in the industrial revolution was a native of St Helens) and also with Stuttgart (with whom St

Helens approached to enter into a historic twinning arrangement in 1948, it being the first occasion that a UK town or city had reached out to Germany post Second World War) to make them aware of our project and to help with its promotion in any way they can.

We have also identified a range of organisations with whom we would like to partner as well as a number of ambassadors whose names we have permission to use as supporters of our venture and who will themselves help promote the bookshop by turning up for the launch and other events and by their own use of social media.

Organisations with which we have spoken to so far and who have agreed to promote the bookshop to their own members and/or to support what we are doing, are:

- 1) The Steve Prescott Foundation – probably the best known charity operating in St Helens and which through its work reaches not just rugby followers but the whole community. It is very active in social media and has 30,000 followers on Twitter.
- 2) The St Helens Chamber of Commerce – we are advised that they have more than 1000 members and that their newsletter, which will contain details of the share offer, reaches many more.
- 3) The Halton and St Helens VCA which has 1400 members
- 4) The Pilkington Family Trust – we do not have the exact numbers but it is important because the beneficiaries are overwhelmingly pensioners who had some contact, usually as employees, with Pilkington. Most of their contact is done by telephone or hard copy newsletter rather than by electronic means.

- 5) Willowbrook Hospice which currently receives 1000 patient referrals a year and with whom we have reached an agreement whereby we will pass to them for resale second hand books donated to us which we will not be selling in the bookshop.
- 6) St Helens Rugby League Club – it is impossible to overstate the role played by rugby league clubs in fostering community in northern post industrial towns. St Helens RLFC is the one organisation within the town which has transcended the changing times and remains at the beating heart of the community. It is the glue which bands together different generations (it is quite normal for three or four generations of the same family to be ardent supporters) and also those who have left the town for pastures elsewhere. The average crowd at home games is over 12,000 and it has over 104,000 Twitter followers.
- 7) The Saints Community Development Foundation, an independent charitable trust which works in partnership with the rugby club and which reaches 50,000 members of the community each year, many of whom are the among the most vulnerable in society.
- 8) Lucem House - this is a community cinema club based in the town centre which has just 60 members but all of them are likely to be interested in and supportive of another community organisation operating in the town centre.

- 9) Citadel Arts – an arts and community organisation operating in St Helens. Still on furlough at present as a result of COVID 19 but they have promised their support when they are back up and running.
- 10) The Standing Tall Foundation set up by Andy Reid MBE (see below) which campaigns on social issues, including homelessness, debt management, relationships and mental health.
- 11) Writers Tax Limited - this is a St Helens based firm which specialises in providing tax advice to writers and authors from all over the country.

Those who have agreed to acts as ambassadors are

- 1) Frank Cottrell Boyce – award winning screenwriter and author, active on Twitter with 36,000 followers
- 2) Eamonn McManus- chairman of St Helens RFC and ex HSBC investment banker.
- 3) James Roby – rugby league international and captain of St Helens RFC, previous winner of the Man of Steel award.
- 4) Paul Sculthorpe MBE – retired St Helens and Great Britain rugby league captain, member of the Great Britain coaching team, inspirational speaker and a major fundraiser for the Steve Prescott Foundation - active on Twitter with 47,000 followers.

- 5) Jodie Cunningham – a graduate in Biomedical Sciences from Leeds University, Jodie is the St Helens captain in the Women’s Super League, has 21 international caps for England, is a regular commentator on Sky Sports and Women’s Ambassador and InspiredBy Lead for the Rugby League World Cup 2021.
- 6) Chris Foy –retired Premiership referee and current member of the Professional Game Match Officials board, who grew up in St Helens.
- 7) Linzi Prescott – widow of Steve Prescott and trustee of the Foundation
- 8) Andy Reid MBE – Afghanistan veteran who lost three limbs in an explosion, inspirational speaker, fundraiser and founder of the St Helens Business Club as well as the Standing Tall Foundation, active on Twitter with 11,000 followers.
- 9) Charles Nevin, author and journalist, member of the St Helens Ambassador Programme
- 10) Phil Gwilliam, actor, producer and occasional writer from St Helens.
- 11) Andrew Lees, originally from St Helens, a neurologist and one of the world’s leading authorities on Parkinson’s disease, also author of a number of books on a variety of subjects.

As well as permitting us to use their names to indicate support for the venture, we will also be asking the Ambassadors to spread the word in any way they can. We will be asking those with Twitter accounts in particular to

retweet any announcement made on the bookshop Twitter account which should enable us to reach an audience in the hundreds of thousands.

We will also be looking for coverage on local radio stations and television, using our own and Council contacts.

Unfortunately COVID 19 restrictions will prevent us having an event to make the launch of the share offer although we live in hope that this will be possible at the date we open to trade.

As noted in Section 6 above, our intention is to target in advance well known persons with prominent links to the town and ask them to pledge an amount of money which they would be prepared to subscribe as part of the share issue. As well as the ambassadors listed above, we will be approaching many others as well as local high net worth individuals.

Our strategy will be to look for sufficient commitments from these people to cover the target funds to be raised and effectively underwrite the share issue. However we are hopeful that when the offer goes live to the public, we will receive sufficient investments at or near the minimum of £50 that we will be able to scale back the larger commitments. In an ideal world we would have 800 investors at £50 per head (as opposed to the other extreme of investors at £5000 each). In that way we can genuinely say that the bookshop is owned by the community and there is no danger that it will be perceived as some sort of vanity project by well known high net worth individuals.

14) STAFFING

Our intention is to employ two full time staff, a manager and assistant manager, who will be supported by volunteers from the community. Standard opening hours will be 9.30 to 17.30 Monday to Saturday although we hope and expect that the premises will be used on a regular basis in the evenings for a whole range of activities.

It will be the responsibility of the bookshop manager to ensure that there is adequate supervision at all times, whether by himself, the assistant or volunteers. We intend also to invest in the training of both staff and volunteers. This will include for example competence in operating the EPOS and accounting systems, managing online sales and any other aspect of the staff or volunteer duties that we believe is appropriate. We will also ensure there is an ongoing focus on the wellbeing of staff and volunteers. Oversight of this area will be the responsibility of one of the trustees, possibly supported by a sub-committee containing Members of the Society, who will report to Trustee meetings.

We prepared a job description for the purposes of our application for funding to cover the bookshop manager's salary, a copy of which is included at Appendix 2 and will be doing the same for the assistant manager at the relevant time.

We are hopeful that we will have the bookshop manager on board by 1 January so that he or she can be involved in the recruitment of both the assistant and the volunteers, as well as helping to monitor the building work and the fit out of the shop.

The original article in the St Helens Star which made reference to our plans to open the bookshop elicited an immediate response from some 5 or 6 potential volunteers who have relevant experience, ranging from ex librarians to those who have worked in bookshops and / or charity shops. We have since received further offers via social media and will be following up on all of these in due course.

15) SOURCES OF REVENUE

According to the Bookseller's Association the average turnover of an independent bookshop is £250,000. Whilst it is not realistic to expect that we could achieve that in the very short term it is a figure which we will be working towards by the end of 2025.

For the purposes of this business plan however we have broken down the anticipated turnover figure into its constituent parts.

a) New Books.

The primary source of revenue will be the sale of new books. Given that we are a start up operation it is difficult to predict accurately the amount that will be generated and comparison with other bookshops is difficult as they are not always obliged to disclose turnover and even when they do it is not always broken down between the different categories. Crediton Community Bookshop however (which undertook a community share issue in 2013) turned over in excess of £120,000 in 2017 nearly all of which comprises book sales, which is impressive given that it serves a town with a population of just 8,000 (interestingly Crediton generated some £12,000 from local schools, this being a combination of direct orders and sales at school events this is most definitely an area which we will explore but for the time being have not included anything in the projections). Malvern Books Co-operative was turning over 92,500 in 2014 with a population of 29,000. With a population of over 100,000 (and 180,000 in the borough) we should be capable of a turnover of £250,000 in the fullness of time.

We have based our initial estimate however on the turnover at Wardleworths (the independent bookshop in St Helens which closed in 2019 and whose turnover consisted entirely of book sales). Only a few years ago this was in excess of £120k although it dropped in the run up to closing to around £85k. Given that Wardleworths engaged in no marketing or promotion at all, was poorly located and had undertaken no work to create a positive customer experience, we consider it reasonable to assume that in the first year we can generate sales equivalent to those achieved by Wardleworths before it went into decline i.e. we are projecting annualised sales of £120,000 in the first year. We will not of course be open in January and February 2021 but sales will not arise at a uniform rate and because January and February are typically two of the worst months of the year, comprising in total around 14% of annual sales. We have therefore taken 86% of £120,000 as the projected sales for the 10 months ended 31 December 2021. We are working on the basis that by year 5 we should be able to achieve the average turnover for an independent bookshop in the UK which according to the booksellers association is £260,000 of which approximately one fifth is non book sales. Our projections anticipate therefore that we will make new book sales of £200,000 in year 5 and that the growth will come evenly over that period.

b) Second hand books

It is not our intention to build a volume driven second hand book business. There are already a significant number of charity shops selling second hand books in the town and especially in a climate where they have been suffering from the effects of lockdown, we do not want to create additional competition for them. Accordingly our offer will be limited to books of local interest and others which are out of print so we do expect some modest sales which we have estimated at around £100 per month. We are anticipating that as we become familiar with the type of books that customers are looking for

and are able to secure more sought after books which are out of print that this could double to £200 per month in year 5. Because we have already had many offers of second hand books from potential supporters and customers, we have entered into a provisional agreement with a local charity, Willowbrook Hospice, which has a shop quite close to ours, that they will take those books they would like to sell in their shops. Children's books however will go to Kingsley and Co in Bootle. Anything left over will go to either "We Buy Books" or to the Literacy Trust which has an outlet in Preston.

c) Cards and accessories

This will be an important element of our trade as the margins are higher than on books and from our research it is clear that for this reason they are becoming increasingly important for independent booksellers. We are estimating sales of £1,000 per month for the first year but believe there is the potential to develop to expand the range of products and increase these sales significantly so that we are generating £2000 per month by our fifth year of trading. A summary of the most recent Greeting Card Association Market Report suggests that the market in the UK is stable or growing, with the vast majority of cards being sold in physical stores rather than online. The summary highlights the importance of Christmas cards sales to the retailer. Cards are available from a significant number of retail outlets so we will need to ensure we are offering something different from other outlets to maintain a local market share. We will also evaluate other potential stationery products and local markets with a view to further increasing our range.

No specific marketing reports have been sourced for the diaries and calendars sector. However, there are indications that despite the move to electronic diaries, the sale of print diaries and calendars has remained stable. This is an area of the market we will also look to explore.

Cards will be available at cheaper prices locally at the Card Factory, Clintons and the supermarkets in the town centre. We will not be able to compete on price so we will be looking at stocking art cards, political cards and cards of the local area (which link into the heritage of the town) which are not available elsewhere in the town. We have already contacted a number of local artists with a view to involving them in the design of the cards and certainly believe that experience elsewhere (for example October Books in Southampton) suggests that this could be a lucrative source of income.

d) Online sales.

This is one of the areas which is most difficult to gauge but will be a vitally important part of our offering, especially in the post COVID world (this point was made strongly in a recent Nielsen webinar). We have therefore built into our start up costs enough to set up an e-commerce function on our website. But while an online presence is a must we have to be realistic in that we cannot compete directly, and certainly not on price, with the likes of Amazon or even Waterstones. Nonetheless we believe that there will be a reasonable level of interest in a "Click and Collect" arrangement, particularly if we can arrange for a one day delivery. In the first instance that is going to be our plan although we will obviously review the situation regularly. We have estimated online sales for the first year at 20 books a month which at an average cost of £10 per book gives revenues over the first 12 months of £200 per month. This seems achievable given that George Street Bookshop in Glossop did some market research which identified a demand for an online service and they were projecting sales of £300 per month in the first year. Thereafter we would expect to be able to develop our online presence significantly and to become more sophisticated in our offering. Our target is to increase sales to £1000 per month by year 5 of our operation.

e) Refreshments

Our discussions with the community cafe Momo's have been on the basis that they will pay to us a percentage of turnover (which reflects our own arrangements with the Council as landlord). On the basis that we are paying 15% to the Council but on top of that we will be incurring all the utility and other costs we are asking Momo's to pay to us 17.5% of their turnover. We have assumed a very modest £150 a month in the first year but rising steadily as and when the food and drink offering is extended to £500 a month in the 5th year.

f) Events

This is the area which has the most potential to drive significant revenues. Sue Porter, for example, who runs the very successful Lingham's bookshop in Heswall reported to the BBC that two thirds of the shop's income had been generated by events prior to the lockdown (www.bbc.co.uk/news/entertainment-arts-53136711). The experience of SilverDell in Kirkham was not dissimilar - at their first author event, at which Josephine Cox spoke, they sold 200 books. The following year they managed to attract Kate Adie and sold a staggering 500 books before exceeding even this figure when Michael Caine came along and 800 books changed hands on the night. The competition to secure celebrities who are capable of generating this sort of interest is of course intense but it is certainly something that to which we can aspire. We are fortunate in that we should be able to kick off our events programme with visits from well known author Frank Cottrell Boyce who was born and educated in the

town and it should also be possible to attract local sportsmen (particularly rugby league players) as and when they go into print. Our medium term objective is to put the shop firmly on the radar and to be in the frame whenever nationally known authors are doing signings for a new book in the North of England. Typically they may choose to do only a small number and we understand that competition between the independent bookshops is often intense to secure these events.

The model we are likely to adopt, initially at least, is a ticket price which is less than the face value of the book that the author is promoting but which can be redeemed against the cost of the book if the customer decides to buy it.

We have assumed as a starting point that we will run one event a month in the first year at which there will be 50 people present, paying £5 per head and that 50% of these will redeem their ticket cost against a book. If we assume that the book is retailing at £15.00 this should generate an additional £400 revenues per month calculated as follows

Ticket sales not redeemed	$25 \times £5 = £125$
Additional sales	$25 \times £15 = \underline{£375}$
Total revenues	£500.

This is another area that we will be hoping to build on as we become better known and, we hope, able to attract much bigger names. Our target of £1,250 per month by year 5 is demanding but we believe achievable.

g) Room hire

It is also our intention to make the room available for other community groups, arts groups, book clubs, music rehearsals etc. Whilst we cannot expect to make significant amounts of money from these groups, it is important that we cover our costs plus a little bit more and over a full year that will certainly add something, if not a lot, to the turnover figure.

It is very difficult to make an assessment at this stage of the revenues we will be able to generate in this manner. We are including just £100 pounds a month for the first year, which we believe is a modest target (consisting of just 10 hours at £10 per hour) but hope to raise this by year 5 to £200 per month

h) New members

There will be an ongoing opportunity for customers and others to subscribe to become members of the society. We are assuming however that monies subscribed by new members will be utilised in repaying any withdrawals which are permitted in the first two years.

i) Grant funded community events

Subject to funding availability, we will be looking to run community events in-house. Funding would create a contribution to the overheads and pay for additional staff time on a sessional basis to deliver community activities.

j) Art Exhibitions

We have already commenced discussions with local artists about the possibility of having exhibition of their work from time to time, which would generate for us a percentage of revenues on works sold but again have not included anything at this stage.

At this stage we have not flexed our figures to reflect the possible impact on sales of any social distancing measures that might still be in place at our opening date. Clearly if we have to restrict the number of people who can be in the shop at any one time, this will have an impact on sales. We will need to monitor the situation closely and make the necessary amendments, if required, once we have a clear idea of any restrictions that might be imposed upon us.

16) OUR COST BASE

- a) As noted earlier we have negotiated a “turnover lease” with the Council whereby the rent payable, inclusive of service charge, is linked directly at 15% to the turnover of the business. This is a major advantage for us, as it means we will not be crippled by high occupation costs in the early days whilst we are growing the business. However importantly it also means that we have aligned the interests of the Council, as landlord, with our own in that the more successful we are, the more the Council will receive by way of rent. They do therefore have a vested interest in our success. It should also be noted that if we drive additional footfall into the shopping centre there will be a consequent benefit for other traders there so we believe that we have come up with a formula whereby, if we get it right, everyone is a winner - there are no losers!
- b) The rateable value of the unit is £28,750 which would give rise to a potential rates liability of £14,116. If or when HMRC accepts that we have charitable status, that will mean that we will qualify for mandatory rate relief of 80%. If not, we will have to rely on the discretion of the Council. The Council also has the discretion to grant a further 20% relief (or indeed 100% discretionary relief in some circumstances where mandatory relief is not available) and the Head of Place and Delivery at the Council (with whom we are dealing on the premises) contacted the business rates team on our behalf (the email was copied to us). Other not-for-profit community bookshops around the country have qualified for discretionary rate relief so there are certainly precedents that we can call upon if necessary. We will shortly be applying for both the mandatory relief at 80% and the additional 20% discretionary relief reducing our liability to zero.

- c) Cost of sales - we have worked on a gross profit percentage of 36% which according the Booksellers Association is the average for books for an independent bookshop and 50% for cards and accessories. The total cost in the projections has been calculated by reference to the number of new books sold in each category (so for example it will reflect the fact that half of the revenues generated at author signing events is anticipated to come from new book sales).

17) WHAT IS OUR TIMETABLE?

Unsurprisingly the anticipated timetable has had to be set back because of the coronavirus outbreak. However we now have a very clear programme ahead of us. The key points here are:

- Our share offer will run from 18 November to Friday 18 December (although there will be a facility to extend this if necessary)
- In the meantime we will finalise with the Council the work which we will carry out with their contribution of £25,000.
- We will also complete the design and do a detailed costing of the fit out - we are liaising with Jennor (<https://www.jennor.co.uk/>) in this regard.
- Continue recruitment of bookshop manager
- Work to prepare premises, setting up online sales equipment, website etc - 4 January to 28 February 2021
- Opening launch event, first day shop opening - week commencing 1 March 2021

18) COMMENTARY ON FINANCIAL PROJECTIONS

Projections for the five years to 31 December 2025 are included at Appendix A as well as cashflow statements for 2020, 2021 and 2022 and a balance sheet at 31 December 2021.

It should be noted that because of the support provided by the Steve Morgan Foundation we have three years in which we should be able to develop the business and build a foundation for growth in future years. We will naturally be looking for further funding during this period and certainly for years 4 and 5 we will be targeting funding of circa £20,000 to help maintain a profitable and sustainable business which is delivering the community benefit intended. Securing funding of this magnitude should be possible and negotiating funding for the future will be a key concern for Trustees during 2023/. Positive factors include our status as a not-for-profit Community Benefit Society (which all being well will have charitable status), a wide community membership, the track record for delivering community benefit we will have demonstrated by 2024 and the relative deprivation within St Helens. We have however included just a modest £12,000 per annum for year 4 and year 5 in the projections and regardless of the availability of funding however, our hope is that by the end of year three it will be clear that we have a sustainable and growing business which is capable of standing on its own two feet. We do however have certain options if that does not prove to be the case and we are unable to secure further funding.

This might include for example reducing the number of employees or entering into other cost reduction exercises. We do not expect that this will be the case but it is important that we have prepared plans to cover situations such as this in advance.

As with any start up operation, predicting the level of performance is not a straight forward task and requires a degree of judgement in anticipating both the level of revenues and costs. We believe however that the projections are nonetheless realistic, bearing in mind that according to the National Booksellers Association the average turnover of an bookshop in the UK was £260,000 in 2013 and we are not anticipating that we will reach that figure until year 5.

There are however many variables which could affect performance either way, the most obvious one being the COVID 19 outbreak, when the restrictions will be wholly lifted and what the impact on town centres in the long term will be. Against that there are the opportunities which we hope will be generated by the St Helens Council's recently announced partnership with the English Cities Fund. In summary however we believe that we have taken a realistic approach and that the most important thing is that we remain flexible and able to adapt to circumstances as and when they change.

As noted elsewhere however in the event that we do not meet our financial targets and / or fail to secure future funding, members' share capital will potentially be at risk.

Please note the following in relation to the financial statements

- 1) The projections assume that the bookshop qualifies for 80% mandatory relief as a charity plus an additional 20% discretionary

relief. The rates payable if the discretionary relief is not granted are currently £2,592 per annum.

- 2) The cashflow statements do not include any VAT output tax charged or input tax incurred. This is on the basis that the business will not incur any exempt input tax so the overall effect of VAT payments will be cash neutral and well within the liquidity available to the Society in the cash flow projections.
- 3) It has been assumed that any monies raised from new members will be utilised to repay any share withdrawals that are permitted by the Trustees.
- 4) EBITDA = Earnings before interest, depreciation and amortisation.
- 5) The start up costs have all been written off in the first year of trading. When the accounts for the year are drawn up, it is possible that some or all may be amortised over the period of the lease.
- 6) The fixed assets have been depreciated over 5 years which is the period when there is certainty of tenure and this has the effect of depressing the net profit each year and reducing the strength of the balance sheet. The strong likelihood is that the tenure will extend to 10 years and the auditors will no doubt take this into account when deciding which depreciation policy they will in practice adopt.

APPENDIX ONE

RISK AND SWOT ANALYSIS

RISKS

Nature of risk	Likelihood 1-5 (low- high)	Severity 1-5	Score	Mitigation
COVID 19 / potential for local lockdowns / restrictions on numbers	?	5		Monitor the situation closely as the situation develops and be ready to react accordingly

Application for discretionary rate relief rejected	1	3	5	Unlikely. Head of Place and Delivery at the Council has backed application for relief and the shop falls within the guidelines
German company objects to use of "The St Helens Book Stop" as company name or "The Book Stop's Here" as trading name	1	2	9	Thought unlikely but would have to rebrand. On the plus side would attract some publicity
"The Book Stop's Here" market stall in Preston objects to use of trading name	2	4	8	They have not protected the name so unlikely they would succeed.
Fail to raise optimum target from share offer	1	5		Not viable
Matching offer restricted to £25,000	3	3		Make up the balance with higher share issue
Matching offer not made	2	5		Revisit viability

Fail to attract future grant funding	2	5	5	Would need to reassess cost base in the light of projected revenues - possibly reduce staff
Application for Charitable status not accepted by HMRC. Lose mandatory rate relief	1	2		Unlikely to take place as we have now reached agreement in principle. In any case, no real effect in the short term to medium term provided we can replace the mandatory rates relief with discretionary relief

SWOT ANALYSIS

Strengths

- Filling a gap in the marketplace - no direct competition
- High levels of support for the initiative from the people of the town
- Excellent town centre location
- May be able to benefit from St Helens Council's partnership with English Cities Fund
- Positive support from the Council
- Knowledge of local bookshop trading opportunities

Weaknesses

- Potential COVID 19 restrictions still in place
- Financial model heavily reliant on business growth and/or grants
- Cannot compete on price with the internet giants and supermarkets
- Cost base high because of good location
- St Helens town centre currently very depressed.

Opportunities

- To take advantage of the revival of interest in books prompted by COVID 19
- Premises have plenty of potential with spacious upstairs area
- A chance to play a pivotal part in the town centre regeneration and to create a real destination for the community as a whole.
- To translate the levels of support into footfall in the shop and thus hard revenues.
- To attract young readers and convert them into lifelong book enthusiasts
- To improve the literacy levels of the town

Threats

- COVID 19 leads to an increased level of internet sales in books but not bookshop sales

- Town centre revival doesn't happen and the downward spiral continues
- Decision made to demolish the whole shopping centre after 5 years.

APPENDIX TWO

FORECASTS

- DETAILED PROFIT AND LOSS ACCOUNTS FOR THE YEARS 2021 TO 2025
- MONTHLY CASHFLOW STATEMENTS FOR THE TWO YEARS ENDED 31 DECEMBER 2021 AND 2022

- PROJECTED BALANCE SHEETS AT 31 DECEMBER 2021
AND 31 DECEMBER 2022

	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2024</u>	<u>31/12/2025</u>
Revenues					
New books (shop)	103,200	140,000	160,000	180,000	200,000
2nd hand books	1,000	1,500	1,800	2,100	2,400
Cards etc	10,000	15,000	18,000	21,000	24,000
Online sales	2,500	5,250	7,500	9,750	12,000
Refreshments	1,500	2,850	3,900	4,950	6,000
Events	5,000	8,250	10,500	12,750	15,000
Room hire	<u>1,000</u>	<u>1,500</u>	<u>1,800</u>	<u>2,100</u>	<u>2,400</u>
Total	124,200	174,350	203,500	232,650	261,800
Cost of sales					
Books in Shop	66,048	89,600	102,400	115,200	128,000
Books Online	1,600	3,360	4,800	6,240	7,680
Events	2,475	3,960	5,040	6,120	7,200
Cards	<u>5,000</u>	<u>7,500</u>	<u>9,000</u>	<u>10,500</u>	<u>12,000</u>
Total cost of sales	75,123	104,420	121,240	138,060	154,880
Gross profit	49,077	69,930	82,260	94,590	106,920
Operating expenses					
Rent (inc service)	18,630	25,000	25,000	30,000	30,000
Rates	0	0	0	0	0

Salaries	44,667	49,000	50,000	51,000	52,000
Utilities	3,000	4,150	4,300	4,475	4,650
Bank charges	1,000	1,260	1,323	1,389	1,450
Marketing/subs	1,000	1,260	1,323	1,389	1,450
Professional fee	2,500	3,150	3,307	3,473	3,646
Website	500	630	660	695	730
Postage/carriage	500	630	660	695	730
Insurance	2,000	2,520	2,650	2,780	2,920
Travel	500	630	660	695	730
Sundry	<u>1,000</u>	<u>1,260</u>	<u>1,320</u>	<u>1,390</u>	<u>1,460</u>
Total costs	75,297	89,490	91,203	97,981	99,766
Add grant funding	<u>28,000</u>	<u>25,000</u>	<u>22,000</u>	<u>12,000</u>	<u>12,000</u>
EBITDA	1,780	5,440	13,057	8,609	19,154
Depreciation	5,172	6,207	6,207	6,207	6,207
Interest	1,700	1,700	1,700	1,700	1,700
Net profit	-5,092	-2,467	5,150	702	11,247
Less start up costs	-14,500				
Result for year	-19,592	-2,467	5,150	702	11,247
Add reserves b/f	0	-19,592	-22,059	-16,909	-16,207
Reserves c/f	-19,592	-22,059	-16,909	-16,207	-4,960

	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>
Cashflow												
Revenue	0	0	11,553	10,109	8,666	10,109	12,276	10,109	11,553	12,276	13,720	23,829
Book purchases	0	-15,000	-15,000	-6,493	-5,706	-4,920	-5,706	-6,886	-5,706	-6,493	-6,886	-7,673
Card purchases	0	-5,000	-465	-407	-349	-407	-494	-407	-465	-494	-552	-959
Events purchases	0	0	-230	-201	-173	-201	-245	-201	-230	-245	-273	-475
Rent payments	0	0	0	-1,733	-1,516	-1,300	-1,516	-1,841	-1,516	-1,733	-1,841	-2,058
Other operating costs	-2,333	-2,333	-5,200	-5,200	-5,200	-5,200	-5,200	-5,200	-5,200	-5,200	-5,200	-5,200
Add grant funding	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333
Operating cashflow	0	-20,000	-7,009	-1,592	-1,945	414	1,448	-2,094	769	445	1,300	9,797
Share issue	42,500											
Booster shares	42,500											
New shares												
Share issue costs	-2,250											
Interest paid	0	0	-85	-85	-85	-85	-85	-85	-85	-85	-85	-85
Start up costs	-12,250											
Landlord's works:funding	12,500		12,500									
Landlord's works: costs	-12,500	-12,500										
Shop fit out		-30,000										
Net cashflow	70,500	-62,500	5,406	-1,677	-2,030	329	1,363	-2,179	684	360	1,215	9,712
Cash b/f	0	70,500	8,000	13,406	11,729	9,700	10,029	11,392	9,213	9,896	10,256	11,471
Cash c/f	70,500	8,000	13,406	11,729	9,700	10,029	11,392	9,213	9,896	10,256	11,471	21,183

	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>
Cashflow												
Revenue	13,076	11,333	13,948	12,205	10,461	12,205	14,820	12,205	13,948	14,820	16,563	28,768
Book purchases	-13,179	-7,172	-6,242	-7,637	-6,707	-5,778	-6,707	-8,102	-6,707	-7,637	-8,102	-9,031
Card purchases	-563	-488	-600	-525	-450	-525	-638	-525	-600	-638	-713	-1,238
Events purchases	-297	-257	-317	-277	-238	-277	-337	-277	-317	-337	-376	-653
Rent payments	-3,574	-1,875	-1,625	-2,000	-1,750	-1,500	-1,750	-2,125	-1,750	-2,000	-2,125	-2,375
Other operating costs	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374	-5,374
Add grant funding	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083
Operating cashflow	-7,827	-1,750	1,873	-1,525	-1,975	834	2,098	-2,115	1,283	918	1,957	12,180
Share issue												
Booster shares												
New shares												
Share issue costs												
Interest paid	-142	-142	-142	-142	-142	-142	-142	-142	-142	-142	-142	-142
Legal & professional costs												
Shop fit out												
Net cashflow	-7,969	-1,892	1,731	-1,667	-2,116	692	1,956	-2,257	1,142	776	1,815	12,038
Cash b/f	21,183	13,214	11,323	13,054	11,387	9,271	9,963	11,919	9,662	10,803	11,580	13,395
Cash c/f	13,214	11,323	13,054	11,387	9,271	9,963	11,919	9,662	10,803	11,580	13,395	25,433

PROJECTED BALANCE SHEET AT 31 DECEMBER 2021

Leasehold alterations	- cost	7,500	
-	-depreciation	(1,293)	6,207
Fixtures and fittings	-cost	22,500	
	-depreciation	(3,879)	18,621
Stock			37,000
Creditors - rent	(3,574)		
- stock	(13,179)		
- book tokens	(850)		
- cash in bank	21,183		
Net current assets			3,580
Total assets			65,408
<u>Represented by</u>			
Individual Members' share capital			42,500
Booster share capital			42,500
Profit for year			(5,092)
Less start up costs			<u>(14,500)</u>
Total of Members' Interests			65,408

PROJECTED BALANCE SHEET AT 31 DECEMBER 2022

Leasehold alterations	- cost	7,500	
-	-depreciation	(2,845)	4,655
Fixtures and fittings	-cost	22,500	
	-depreciation	(8,534)	13,966
Stock			39,400
Creditors - rent	(4,125)		
- stock	(15,538)		
- book tokens	(850)		
- cash in bank	25,433		
Net current assets			<u>4,920</u>
Total assets			62,941
<u>Represented by</u>			
Individual Members' share capital			42,500
Booster share capital			42,500
Profit for year			(7,559)
Less start up costs			<u>(14,500)</u>
Total of Members' Interests			62,941

APPENDIX 3

MANAGER'S JOB DESCRIPTION

POSITION: Bookshop Manager

LOCATION: The Book Stop's Here, 11 Bridge Street, St Helens
WA10 1NN

REPORTS TO: The Trustees of The St Helens Book Stop Limited

CONTRACT HOURS: 40 hours per week, 5 days out of 7

JOB SUMMARY

Under the direction of the Trustees, the Manager will be responsible for planning and managing all day-to-day operations of the bookshop, including stock control , cash handling, customer service , security, health and safety and staff supervision.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Complete or supervise store opening and closing procedures on a daily basis.
- Carry out or supervise all cash register procedures and action the daily reconciliation and banking of all monies and other payment types as required, reporting any discrepancies to the Trustees.
- Deliver excellent customer service.
- Create an atmosphere and service culture that ensures that at all times customers feel welcome and valued by all staff and volunteers.
- Where necessary take appropriate action to resolve any customer complaints.

- Supervise staff and volunteers in the performance of all day-to-day operations.
- Carry out appraisals of staff and volunteers at agreed intervals.
- Build rotas to ensure the store is adequately manned at all times, including authorising holidays and agreeing absences .
- Support the Trustees in the recruitment of staff and volunteers.
- Train staff and volunteers to deliver a high standard of customer service.
- Implement policies and procedures as directed by the Trustees, and assist in the ongoing creation of those policies and procedures.
- In liaison with the Trustees, agree and place replenishment orders for core products including negotiating any sale or return agreements, and investigate opportunities for new product ranges.
- Maintain store appearance and cleanliness to the highest standards.
- Apply any point of sale and/or promotional material to maximise the potential of special offers .This may include physical relaying areas of the store.
- Accept receipt of and supervise the checking off of any stock deliveries.
- Maintain the highest security procedures with regard to both monies and stock.
- Liaise with third parties – accountants etc. to support prompt payment of all bills , wages etc.
- Ensure accurate maintenance of the stores EPOS and stock files.
- Apply all and any health and safety rules and procedures to maintain the safety of colleagues and customers.
- Carry out regular fire evacuation in line with statutory requirements.

OTHER DUTIES

- Participate, if required, in any out of hours extra mural activities or events that may be arranged as part of the bookshop community support ethos, as well as any book signings etc. Also ensure that there is appropriate supervision in place for any activities/events that may take place outside normal opening hours in the Manager's absence.
- Oversee the booking of events to take place on the premises.
- Attendance at Trustee meetings to discuss the bookshop's performance and other business issues.
- Liaise with the operator of the cafe area as set out in the concession agreement to ensure that customers have a positive experience in all areas of the shop.
- Liaise with any other third party vendors who may be located inside the bookshops premises to agree health and safety, security and customer service standards.
- Other related duties as may be required.

SKILLS AND EXPERIENCE

- Strong track record of high performance in a bookselling retail environment , preferably in a management role
- Previous experience of staff management including staff from the voluntary sector.
- Experience of IT systems including EPOS and stock control platforms.
- Able to communicate clearly and articulately at all levels.
- Can build relationships both within the business and externally.

- Is customer focused and driven to maximise profit.
- Possesses excellent interpersonal skills, including motivational and leadership skills, and can work independently.
- Have a keen interest in the local history and heritage of St Helens and a commitment to promoting the St Helens brand going forward.
- Prepared to contribute to out of hours activities supporting the community based principles of “The Book Stop’s Here” brand.

