

Shops - comparisons with National Benchmarking Survey results

	National average	CoFCT	Variance	Derivation
Profit / gross sales Overall profit as a percentage of sales is less than the average for shops in the survey. This suggests that costs could be too high for the value of sales.	29%	22%	-7%	App B1 & P15
Sales / week per shop (51 week trading year) Sales per week is only slightly lower than that of the shops in the survey. This reinforces the indication that, relative to the amount of sales that they generate, the Trust's shops have higher costs than those of other shops.	£ 1,052	£ 1,049	£ -3	App B1 & P15
Profit / week per shop (51 week trading year) Profit per week is less than those of the shops in the survey and is consistent with the difference in profit as a percentage of sales. The above three comparisons all suggest that the Trust's shops are under-performing compared to what other charities are achieving, and that the reason for this is higher costs as opposed to a failure to generate sufficient sales. Local factors may influence costs in ways that differ from the national picture, e.g. it is possible that shop rents are generally higher in the Firth Region than in other parts of Endowland.	£ 308	£ 235	£ (73)	App B1 & P15
Shop manager's salaries, including oncosts £ 13,400	£ 13,400	£ 15,300	£ 1,900	App B1 & P15
Manager's annual salary (inc oncosts) /gross sales 25%	25%	29%	4%	App B1 & P15
The CFCT managers' salaries are 14% higher than the average for shops in the survey.				
Sales per £1 of managers' salaries £ 4.00 The CFCT sales per £1 of salaries are £0.50 (12.5%) lower than the average for shops in the survey.	£ 4.00	£ 3.50	£ (0.50)	App B1 & P15
Volunteer hours per shop per week hrs 116 The average number of volunteer hours per CFCT shop is 7% lower than the survey average, but there is a wide variation between individual CFCT shops	hrs 116	hrs 108	hrs (8)	P15 & P32
	£	£	£	

Shops - comparisons with National Benchmarking Survey results (continued)

Average rent per shop	£ 11,200	£ 13,891	£ 2,691	
The CFCT average rent is 25 % higher than the national average. In the above				App B1 & P15
Possible alternative answer for candidates who have not deducted the rent recharged to Collection. The CFCT average rent is 35 % higher than the national average.	11,200	15,156	3,956	
Average sales per £ rent	£ 4.80	£ 3.85	£ (0.95)	
Average sales per £ rent of CFCT shops is 80% of the national average or the				App B1 & P15
Possible alternative answer for candidates who have not deducted the rent recharged to Collection. Average sales per £ rent of CFCT shops is 74% of the national average or the national average is 36% higher than the CFCT average.	4.80	3.53	(1.27)	

Profit comparison - National Benchmarking Survey

Profit at NBS level (£428,000 x 29%)	124,120	App B1 & P15
Less CFCT profit forecast (excluding donations)	95,950	Appendix B1
Difference	28,170	

Analysis of difference in profit between CFCT shops and national average performance

Difference in profit to be explained		£ 28,170	
Difference resulting from higher salaries for shop managers			
Additional average salary per manager compared to survey shops	£1,900		App B2
No of shops	8		
Total additional salary costs		15,200	
Difference resulting from higher rents			
Additional average rent per shop compared to survey shops	£2,691		App B2
No of shops	8		
Total additional cost (£)		21,525	
Amount of difference in profits explained by higher salaries and rents		36,725	
Balance not explained		-8,555	

The higher costs of CFCT managers' salaries and shop rents more than explains the lower profits forecast for the CoFCT shops as compared to the national average. Therefore, the CFCT shops may be more be operating more efficiently in other respects.

It would, however, be simplistic to suggest that a reduction in managers' salaries and/or relocation to less expensive premises would necessarily lead to improvement in the 'bottom line' for the CFCT shops.

Note: Candidates who have not excluded the rent recharge to Collection in their calculations in the first part of Appendix B2 should come up with the following results in this section:	£	
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