



# ROADWATER VILLAGE SHOP COMMUNITY BENEFIT SOCIETY FIFTH ANNUAL GENERAL MEETING

## 2021/22 ANNUAL REPORT

### Introduction

As life has settled back to something resembling normality, it has been a good year, with shop trading still above pre-Covid levels and custom in the café growing steadily. It is very encouraging to hear the positive reputation both shop and café have gained in areas outside our immediate neighbourhood. For this we have to say a huge thank-you to the staff and volunteers for the friendly helpful service they provide, which is so in-keeping with a village welcome but also beyond what people often expect from a village shop. As the High Sheriff at the time, Thomas Sheppard, said when he visited in 2021, “this is not just a shop, it’s a community centre that sells food”.

Key achievements and high spots during the year include receiving the High Sheriff’s Award for a community project and becoming a Business Champion for Plastic Free Exmoor. We also provided our first disbursement of funding to support local community development projects and launched the supply of refills for household cleaning products as part of our drive to reduce environmental footprint. A fortnightly Friendship Hour has been established and Talking Café initiated as opportunities for socialising and sharing information, particularly for those who live alone. This year also saw the development of our Five-year strategic plan (2022-7), which outlines how we plan to consolidate our achievements to date and pursue the key aims of continuing improvement of our retail services, further development of the café/ community hub, increasing positive social impact within the community and reducing our environmental impact.

### 1. Membership and Shares

- There are currently 331 members, down from 333 a year ago - four new members have joined, four shareholdings have been gifted from deceased members to existing family shareholders, one shareholder has withdrawn and one has donated their shares to the CBS.
- The amount held in shares stands at £149,090 (£1,575 withdrawn and £100 purchased in the last year).

As announced at the 2018 AGM, new people wishing to become members can purchase shares at any time, on request. Existing shareholders may also increase their shareholding if they so wish. In both cases SISR (Social Investment Tax Relief) is not applicable. Forms for purchase of shares are available in the shop or from Mary Coles. Any shareholders wishing to withdraw their shares should also contact Mary Coles.

## 2. Finance

Our plan for financial year 2021/ 22 was for consolidation and stability, with the ending of the pandemic bringing the possibility of 'normal' trading and the café being open a full year for the first time. The Treasurer is pleased to report we have successfully executed this plan and exit the year in a stable financial position.

Turnover was very respectable, albeit down on the previous year. This was expected as the exceptional circumstances of the pandemic had a very positive impact on turnover with travel bans bringing in customers who would not normally use the shop. As normal life returned, we anticipated these customers would revert to their previous shopping habits, but turnover is still significantly higher than in the last full year prior to the pandemic.

Gross Margin percent and Operating Profit percent were maintained in the middle of the range expected of a convenience retail business, demonstrating good control over pricing and managing overheads. A new phone contract with BT will save more than 40% over previous costs.

Post Office income remained steady. Café turnover has increased through the year as people became more confident of being in a social setting. The intention is for the café to cover the cost of providing a social facility for the community, which it has been doing since April. A very helpful contribution is made by the plant stall, which continues to be well patronised.

A significant contribution to our funds came from winning an argument with HMRC to allow the value of our volunteer effort to be offset against Corporation Tax. This was a very technical argument citing historical legislation. We received a £3,500 refund and will be able to reduce our Corporation Tax liability in the future. Thank you to all involved in this process.

In summary: profit over the year is £15 094, an increase of £396 compared with 2020/21.

To ensure stability and sustainability we have ring fenced reserves this year for future capital expenditure and business risks. These will be reviewed annually, increased where appropriate and adjusted in line with inflation. Reserves have been set aside this year for:

- The estimated cost of replacing equipment such as fridges, freezers and a refreshing of the interior
- Shares buy-back so that a member can be refunded on request without impacting finances
- General risk to mitigate a significant business downturn or unforeseen events.

A highlight of the year was our first community distribution. As a Community Benefit Society any surplus funds are to be used for investing in the shop or benefiting our community. With reserves in place and no investment required we had the funds for community distribution. We hope this will be a regular event, but investment and shop sustainability must remain priorities.

Looking forward, financial year 2022/ 23 will be challenging because of the economic situation and the impacts of inflation. We anticipate customers will be spending less, possibly choosing value products over luxury items. At the same time, overheads will increase across the board, reducing profitability. We are planning on turnover only increasing in line with inflation but a reduction in profit to the lower end of industry norms as we try to minimise price increases to those necessary for the sustainability of the shop. Cost control and cost efficiency will be the watch words as we begin to see the impacts of the economic situation.

### 3. Retail

- *Customer flow:* As life has returned to something approaching normal following lifting of Covid restrictions, as noted above, we are happy to report that customer flow has been maintained at an increased level compared with pre-Covid, despite the draw of local supermarkets! We attribute this to our friendly service, long opening hours and good range of products on offer at reasonable prices.
- *Refill services:* Following the success of the milk refill system provided by the local Gundenham dairy, which is very well used, a range of refillable household cleaning products has now been introduced. These are made by Refill company, which specialises in environmentally friendly and ethically produced goods and are complemented by a range of environmentally friendly ethically produced brushes and cleaning cloths made from natural materials.
- *New till:* A second till has been installed in the café, so that café customers can pay for their food and drink in-situ. Under an improved contract we also have new card machines that automatically register the total cost of purchases, without the need for manual entry, thus reducing the possibility of errors. This has been much appreciated by staff and volunteers.
- *Home delivery service:* We have continued to provide home delivery services to a small number of vulnerable local residents who are not able to shop for themselves. Many thanks to Ann Bernard for coordinating this, and to the packers and drivers who make it all happen. Ann is now handing over responsibility for the service to Lynne Toms.
- *Post Office:* This continues to be an important part of our business, greatly appreciated by individual customers and local businesses. Electricity supply keys and mobile phones can also be topped up. With petrol costs soaring and local banks closing, the PO, including Parcelforce, is an essential service to many, and it adds to our income as each transaction carries a small remuneration. This remuneration has recently been reviewed by the PO and increased. The PO also acts as a bank for paying bills and accessing cash, and as an ordering and collection point for other foreign currencies. We have been reinstated as a branch that can provide travel money services including travel money cards, which have many benefits when travelling abroad. We are now an Amazon Hub and can be selected as a collection point for deliveries.
- *Café:* Finally, this year, with the lifting of Covid restrictions, the café has been able to function properly. As a result, we have seen a steady increase in trade over the spring and summer months, a mix of local regulars, visitors passing through or staying in local holiday lets and groups of walkers and cyclists. The range of food offered has been expanded to include soup in the winter and cream teas during the summer, which have proved popular. The focus now is to offer more healthy food options as light lunches and snacks and to minimise waste. By popular request a loyalty card has been introduced, giving a free coffee/tea for every eight purchased. We are also looking at the idea of selling our own re-useable cups.

## 4. Social and Environmental Impact

### ***Social impact***

- *Support for community projects:* We were delighted to award grants to three local community projects, based on a vetting process carried out by a dedicated working party set up for the purpose, comprising some management committee and some non-management committee members, all with commitment to and interest in issues around social impact. The successful projects were the Junior Cricket Club, Roadwater Valley Car Scheme and the Youth Club. They will be expected to report back on their use of the money. We plan to carry out a second round in the new year.
- *Hub events:* The fortnightly Friendship Hour has been established as a regular meeting opportunity for those living alone or just wanting more social interaction. A Talking Café was also arranged, with local village agents providing useful information about local authority schemes that can help make life easier for vulnerable people. There are also plans for groups such as those running small businesses and working from home to meet and share ideas.

### ***Environmental impact***

- *Refills:* As noted above, following the success of the milk refill service and water refill app, a refill service has been launched for ethically sourced and environmentally friendly household cleaning products, supplied by a company called Refill.
- *Waste management:* Under a new contract negotiated with Biffa, more than 70% of shop/ café waste will be recycled and this will be at lower cost than the previous contract. We will also continue to support the Plastic Free Exmoor initiative in whatever ways we can.

## 5. Management

### ***Management structures***

- *Management Committee:* As the main decision-making body, the committee has continued to meet monthly. Currently seven out of the eight seats are filled, with Mary Coles as Chair and Membership Secretary, Cherry Bird as Secretary and Human Resource representative, and Simon Smith as Treasurer. Di Binding has taken responsibility for community disbursement supporting social impact projects, and Karl Toth continued as member. Sheila Robertson, Bruce Freeman and Pat Gubbins were elected at the 2021 AGM. Pat Gubbins stepped down in March but has continued to work actively with Di Binding as part of the working party for community disbursement projects.
- *Shop operational team:* The staff team is functioning very successfully as a non-hierarchical structure, with no nominated manager and all staff contributing to day-to-day decisions at fortnightly team meetings and during the course of the day's work. Julia Eggar has continued as Buying Coordinator and evening and weekend worker; Ann Lawton as Post Office Manager and shop worker; Lynne Toms as Café Coordinator in addition to her hours as shop and post office worker. Mary Coles and Steve Eggar continued as shop and PO workers providing cover as needed. Steve is also our PO liaison. Alison Hardman continued as evening and weekend worker.

We said goodbye to Sarah Wetheridge (shop and PO) and Jackie Lynn (evenings and weekends), although Jackie continues to help out with cover when needed. In January we welcomed Sarah Cole as shop and PO worker, and Beverly Emmett joined us in August as evening and weekend worker. This means we have a full complement of nine part-time staff, approximately equivalent to three full-time positions, ensuring a paid member of staff is present in the shop during all opening hours. Six staff are trained in PO work. Staff meetings are attended by the Management Committee Human Resource representative and any higher level decisions are referred to the Committee. All staff have an annual personal review meeting with the HR representative and can request additional support if needed.

- *The finance team* now consists of Hazel Benson, who continues in her book-keeping role, with additional book-keeping and accounting services from Sharné Hawkins and oversight by Simon Smith as CBS Treasurer.
- *Youth workers:* We have continued to employ paid youth workers in the shop on Saturday mornings, currently there are four, each doing 2 ½ hours every fortnight. This provides support for staff at a busy time and supervised work experience for the young people. Ashlyn Smith has just left us to go to university, having worked in the shop since her 14<sup>th</sup> birthday.

### **Volunteers**

Nancy Marshall continued to manage the volunteer rota until August, when she handed over to Jude Johnson Smith. Many thanks to Nancy for all her hard work and efficient management of this complex process. Steve Eggar has continued to advise on health and safety matters; Andrew Benson covers maintenance and repairs; Angela Fine and Jen Hudson lead the garden team; Ann Bernard managed the website until April, when she handed over to Bruce Freeman. Ann has also continued to manage the home delivery service, assisted by Sandy Towler and a team of drivers; Les Haworth manages our Facebook page and Alison Hardman is responsible for newspaper supply. In total, around 50 volunteers help in the shop and café in various capacities. Once again, we are very grateful to all of them, as their contribution is such an important factor in the success of the business, enabling us to deal efficiently with a high volume of trade and wide range of local suppliers.

This year we have supported a local Duke of Edinburgh student working in the café as part of his community service at silver level, and another is just starting to work in the shop and café for her gold level community service. We welcome the opportunity to support this excellent programme and appreciate the fresh ideas these young people can bring.

### **Documentation**

- In October 2021 we submitted to the Lottery the required *Report on Social Impact Achievements*. This was very well received and they commended us on our progress against the agreed objectives, despite the constraints of Covid. Our objectives were:
  1. To extend the role of our volunteers, engage new volunteers, and utilise and share the skills of local people for the benefit of the community
  2. To use the new Community Hub to support community cohesion and involvement
  3. To monitor community needs and to build community capacity in response to those needs

- The *Procedures & Policies* document was updated in May. It is available on the website and in the shop and comprises six sections:
  1. Financial Procedure including Tendering for Supply of Goods and Services
  2. Health & Safety
  3. Data Protection (GDPR)
  4. Environmental Impact
  5. Equity and Protection of Vulnerable Adults and Children
  6. Human Resource Management
- Our major piece of work this year was the development of a *Five-year Strategic Plan*, outlining our priorities and directions until 2027. As well as continuing to improve our retail services in the shop and café, two key priorities are to reduce our environmental impact and develop more social impact initiatives. The Plan is available on our website.

## **6. Maintenance and Development Work**

In January, work was carried out to address health and safety issues that had arisen in the café kitchen and to improve the efficiency of the layout. Staff, volunteers and customers have all expressed their appreciation.

After a lengthy community consultation process, plans for a permanent partial cover on the patio have been drawn up by architect Peter Roberts and approved by the Exmoor National Park Planning Authority. Materials have been ordered and construction is expected to start by early November, taking about a week to 10 days.

## **7. The Flat**

Our tenant has remained for the whole year. No major refurbishment or repairs have been required.

## **8. Review of Last Year's Plans**

In the 2021 annual report we listed four points under plans for the next year, all of which we have been able to meet, at least partially, as follows:

- *Improving systems to ensure staff safety and customer convenience and enhance communications within the staff team and management committee:* We have reviewed procedures for ensuring health and safety for customers and staff and compliance with local authority, Post Office and Financial Conduct Authority requirements.
- *Documentation of the social impact of the shop:* As noted above, we reported to the Lottery in detail about our activities and achievements against social impact objectives and the report is available to view on our website.
- *Reduction of environmental impact:* We have continued to work with the Plastic free Exmoor initiative, receiving a certificate identifying us as Business Champions contributing to Exmoor National Park's achievement of this status. The launch of household cleaning products refill service and continuing provision of milk and water refills has also contributed to this aim.

- *Support for village level projects:* As noted above, grants were given to three community social impact projects.

## **9. Plans for the next year**

- Continue and enhance support for community social impact projects
- Revamp the website and increase other publicity and marketing initiatives
- Identify and develop further initiatives to reduce our environmental impact
- Identify and undertake measures to ensure financial stability at this time of uncertainty

## **10. Thanks**

Once again, many thanks to the shop and café staff and volunteers, including our gardening, maintenance, media and delivery helpers, and all the people who do so much in so many ways. We are grateful for the continuing advice and support of the Plunkett Foundation. Above all, we thank our loyal customers and CBS member/ shareholders for their support.

*Mary Coles, Cherry Bird, Simon Smith, Di Binding, Karl Toth, Sheila Robertson, Bruce Freeman*