



ROADWATER VILLAGE SHOP COMMUNITY BENEFIT SOCIETY SIXTH ANNUAL GENERAL MEETING

2022/23 ANNUAL REPORT

Introduction

Both shop and café have continued to trade well this year, thanks to our loyal customer base, inflow of visitors, and of course our dedicated staff and volunteers. Visitors are delighted to find a local store where they can get essentials and local produce with friendly service, perhaps a cup of coffee and snack, with useful local information if needed.

We continue to look for opportunities to develop local partnerships that keep us on the map and help us to be an outlet for local produce. For example, this year we were delighted to be invited to become an Exmoor Business Partner, which means we are listed in the new Exmoor business directory. We also participated in the Somerset food festival, which advertised our availability for hot drinks and snacks in a pleasant informal environment. In tandem with sound financial policies, we see the maintenance and development of local relationships and partnerships as key to our success as a community enterprise.

We were flattered to be approached by a group from Stogumber village seeking our advice on setting up their own community shop and café, following the retirement of the private owner of the business. Two of us attended a village meeting to “tell the Roadwater story” and there have been a number of informal individual visits and exchanges to talk through details. We look forward to watching developments. We also continue to keep in touch with other Somerset community shops by email, which enables us to share ideas and seek and give advice.

1. Membership and Shares

- There are currently 330 members, compared with 331 a year ago - six new members have joined, one shareholding has been gifted from a deceased member to a new shareholder, two shareholders have withdrawn their shares and two have generously donated their shares to the CBS.
- There are ten known deceased shareholders (from 2019 to present) whose dispersal of shares are still awaiting instruction from their estate.
- The amount held in shares stands at £143,910 (£150 withdrawn, £200 purchased and £4,250 donated in the last year).

People wishing to become members can purchase shares at any time, on request, the minimum investment to become a member being £25. Existing shareholders may also increase their shareholding if they so wish. Forms for purchase of shares are available in the shop or from Mary Coles via cbsroadwater@gmail.com. Any shareholders wishing to withdraw their shares should also contact Mary Coles.

2. Finance

We entered FY22-23 with a great deal of uncertainty; full impact of inflation on overheads, particularly energy, was yet to be felt, plus the effect of a higher cost of living on customer spend was unpredictable. Consequently, a cautious financial plan was adopted for the year, with our objective being financial stability. We are pleased to report performance exceeded our financial plan and our objective of financial stability was achieved.

Highlights over FY22-23 are:

- Shop and Café turnover increased by 9%, broadly in line with inflation, with
 - Shop increasing by 5.4%
 - Café increasing by 178% (£16,900), in this first full operating year post-Covid
- Shop & Café Gross Profit increased by 14%
- General Administrative Expenses reduced by 2%

However, the most significant cost increases were:

- Light & Heat by 56%
- Insurance by 46%
- Salaries by 24%

Results being ahead of our financial plan allowed us to:

- Maintain the contingency fund at slightly above inflation
- Invest in replacing three fridges and freezers that were more than ten years old
- Invest in replacing the computer, which was more than nine years old
- Undertake maintenance activities such as external stair surface treatment
- Distribute two rounds of community grants

Thus, we ended what started as a potentially difficult year with net profit before tax slightly below last year but having increased the assets of the Society. Regulatory compliance was and will continue to be an ongoing activity, particularly in the areas of finance (HMRC and FCA), Health & Safety and landlord (flat) responsibilities.

Looking forward to this year, our plan is for turnover and gross profit to remain static after taking into account inflation, with the objective of improving financial sustainability. Our priority will be on managing overheads to maintain profitability and therefore sustainability of the Society.

3. Retail: Shop, post office and café

Refill products: Our refill services for household cleaning products have now been going for a year and are especially appreciated by customers keen to see the shop making every effort to reduce our environmental footprint and to act as a model encouraging others to think this way. The quality of the range is good and prices competitive, with the most popular products being washing up liquid and laundry liquid. Sales of the refill milk also continue to increase, now comprising more than 40% of all our milk sales. We are now investigating the economic and logistical issues of offering bulk/refill services for dry foods such as rice, pasta, oats etc in the not too distant future.

Health and safety: A full risk assessment has been carried out for both shop and café, with adjustments made to procedures as required. Safety training is also planned for staff and volunteers.

Equipment: Two aging freezers (for produce and Ice creams) and the drinks chiller have been replaced with more reliable and efficient models which will have the added advantage of reducing our electricity consumption, thus reducing financial outgoings and our environmental impact.

Volunteers: The shop continues to benefit from the input of over 50 volunteers, of whom about 20 serve regularly in the shop on a rota basis and others help in other ways behind the scenes and out of hours, including myriad essential tasks such as sorting newspapers, bringing in milk deliveries, maintaining the garden areas etc. Without volunteers the shop and café would not be the success they are. Volunteer commitment is critical to the sustainability of the whole enterprise, and the committee deeply appreciates every minute they contribute.

Post office: Remuneration appears to be fairly static compared to the last two years, despite our taking on additional services, such as Amazon Click and Collect and also now Amazon Returns. Other couriers where our work could increase in the near future are Evri and DPD. Postage prices rising again at the start of October will no doubt impact us by further reducing use of 1st Class postage services. This is a trend that started last Christmas during the postal strike as people felt it was not worth spending the extra money on a 1st Class stamp when the supposed earlier delivery could not be relied on. We were also impacted when our international services were suspended after Royal Mail were victims of malicious hacking.

Café

Trade has continued to increase, with a mix of local regulars, visitors and temporary workers such as builders. The café team continues to explore new ideas for enhancing the menu. Toasties have proved popular, and the latest new item is toasted teacakes. The same toaster (kindly donated) can also be used to provide buttered toast, which is sometimes requested. As winter approaches, a range of soups will again be on offer.

The patio canopy was finally completed this year, providing shade and shelter for seating on the patio, but also leaving part of the patio uncovered for sun-lovers. The robust construction requires minimal maintenance and should last for many years. Indoors, additional seating for four people has been created by the removal of the bar and high stools, which were not well used.

The first batch of 50 re-useable branded cups were all sold very quickly and sales of the second batch have been brisk. The loyalty cards have proved very popular, with customers often buying extra beverages to get the required number of stamps for a free cup of their favourite drink. On average, 38 free drinks are provided each month, with each free drink the result of eight purchased.

As with the shop, the café is very dependent on the support of a loyal band of volunteers, many of whom who have undertaken training to become baristas, and all of whom give a significant amount of time to keeping the show on the road

4. Social and Environmental Impact

Social impact

Community grants: We were pleased to award grants totalling £1,718 to four local community projects. Vetting of the applications was carried out by a working party set up for the purpose, comprising four members of the local community, led by a member of the management committee. Their recommendation was then put to the full committee for a decision. The successful projects in this most recent round were Roadwater Cricket Club, Roadwater Valley Car Scheme, Roadwater Players and Luxborough Gym. A further set of applications will be invited this autumn and again next spring, finances permitting.

Local donations: This summer we provided gift vouchers to the Roadwater fete, Luxborough fete and Old Cleeve School summer fair.

Friendship hour: This twice monthly Tuesday afternoon session in the café has continued to be regularly attended by a group of local residents who appreciate the chance to socialise in a community space. We are always open to suggestions for other such activities which work for smaller groups in an informal atmosphere.

Students: Two local students have worked as volunteers in the shop and café as part of their Duke of Edinburgh award. We have also continued to employ Saturday morning youth workers, giving them the opportunity to gain useful skills and feel part of the shop.

Environmental impact

We continue to seek opportunities to reduce our environmental impact and act as a model and source of information. As noted earlier, this includes sale of refill products to minimise use of packaging and acquisition of more efficient equipment to reduce energy consumption. We are also an approved water refill site, which means we can be found on the national water refill App. Vegetables and other loose produce are sold in paper bags and suppliers are encouraged to avoid unnecessary packaging. As always, we source as much as possible from local suppliers. As Exmoor business champions under Plastic-Free Exmoor (part of the Surfers Against Sewage initiative) for which we received approval in 2021, we continue to display information about local activities such as beach cleans. This year we were also invited to become an Exmoor business partner, which means we feature in the official list of Exmoor businesses.

5. Management and staffing

Management structures

- *Management Committee:* The management committee has continued to meet monthly, with all eight seats filled and officers Mary Coles (Chair and Membership Secretary), Cherry Bird (Secretary and Human Resource representative) and Simon Smith (Treasurer); and members Di Binding, Karl Toth, Sheila Robertson, Bruce Freeman and Claire Sawatzki.
- *Shop operational team:* The staff team of eight part-time workers, plus the Management Committee Human Resource representative, continues to meet at least once each month to

discuss and make decisions on day-to-day issues in the shop and café. Julia Eggar has continued as Buying Coordinator and evening and weekend worker; Ann Lawton as PO Manager and shop worker; Sarah Cole as PO and shop worker, Lynne Toms as Café Coordinator in addition to her hours as shop and PO worker. Mary Coles and Steve Eggar continued as shop and PO workers providing cover as needed. Steve is also our PO liaison. Alison Hardman and Bev Emmett continued as evening and weekend workers. This ensures a paid member of staff is present in the shop during all opening hours. Six staff are trained in PO work.

- *The finance team* continues with Hazel Benson as book-keeper Sharné Hawkins providing additional book-keeping and accounting services, with oversight from 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.
- *Volunteers:* Volunteers continue to provide essential support to the shop and café. Jude Johnson-Smith has taken over the shop rota. As a token of our appreciation, an afternoon tea for volunteers was organised last November, with feast of cakes and savouries provided by Jen's Pantry, which will be repeated this year.
- *Maintenance:* Andrew Benson continues to manage essential maintenance and repair work, including helping to source new equipment and installation of any required new fixtures.

6. Review of Last Year's Plans

In the 2022 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:

- Continue and enhance support for community social impact projects: *An additional four projects received grants this year.*
- Revamp the website and increase other publicity and marketing initiatives: *The website has been completely redesigned by a professional website designer in a more modern and user-friendly format. We are still in the process of populating all the sections*
- Identify and develop further initiatives to reduce our environmental impact: *More energy efficient equipment (fridges and freezers) has been installed, further refill products are under consideration*
- Identify and undertake measures to ensure financial stability in a year of uncertainty: *Managed overheads and administrative overheads to lower amounts than in financial plan.*

7. Plans for the next year

- Improve marketing, particularly for refill products
- Encourage and recruit more volunteers, particularly newcomers to the village and younger people
- Further improve the financial position for long term sustainability

- Further engage with other environmentally focused local organisations and social media platforms

8. 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, Claire Sawatzki