

Stoke-Sub-Hamdon Community Shop Ltd

Community Benefit Society (CBS)

Report to Members for the year ending 28 February 2022

1. Executive summary

This report covers the activities of Stoke-sub-Hamdon Community Shop Ltd (SSHCSL) during the financial year from 1 March 2021 to 28 February 2022, our second full year of operation.

We are pleased to report a good year in which we have cemented the foundations of our community organisation and supported Stoke Community Shop to continue trading and to expand the services it offers to Stoke and surrounding villages.

Key features of the year

- Total turnover for Stoke-sub-Hamdon Community Shop Ltd £199,232
- Profit before tax for SSHCSL £15,783
- Total of 30 active volunteers at end of February 2022
- Acquisition of replacement chillers and freezers (summer 2021) £5,528
- Fixed assets £6,964

2. Profit and loss account

The Financial Report and Accounts for the year has been made available online to Members, in Stoke Community Shop and at the Annual General Meeting. These show a solid second year of trading for Stoke Community Shop, the main income generator for SSHCSL. Total turnover for the business, including rental income from the out-reach Post Office, was £199,232. Our pre-tax profit for the year was £15,783.

Year two saw a decline in profit but this was expected as year one was boosted by grant income and fund raising. Going forward, cost pressures are likely to have a considerable impact on our ability to post a profit. Please see point 5 for more information on how we are attempting to mitigate the effects of these increasing costs. (NB: We are a 'not for profit' organisation, which means in practice that we cannot distribute profits; we must use any surplus to further the aims of SSHCSL)

3. Balance sheet

The value of our fixed assets was set at £6,964, which reflects essential capital expenditure made by SSHCSL during our second year. Major purchases include 2 replacement chillers, 1 replacement freezer and one new ice cream display freezer.

4. Accountancy and Bookkeeping

During the year we:

- engaged Chartered Accountant Ken Fryer to oversee and sign off our accounts, as required by the FCA
- engaged a professional stock taking firm to ensure the accuracy of our February year-end stock take
- took steps to ensure that we complied with HMRC Making Tax Digital rules that apply to all VAT registered businesses, with assistance from accountant Richard Keylock
- decided that this would also be an ideal time to start moving all our bookkeeping online using a cloud-based system. As such, we began discussions with a bookkeeper experienced in digital bookkeeping to support us to go fully live on Xero online accountancy software for the fiscal year 22-23.

It was agreed by SSHCSL Management Committee that while engaging a bookkeeper would incur increased costs, their services were essential to maintaining our accounting and statutory reporting functions.

5. Mitigating cost pressures

The costs pressures which have existed since we opened the shop in March 2020 have continued and the rate of increase began to pick up pace near the end of the 21-22 financial year. Key events for the 21-22 financial year that have affected the supply of goods and the prices that we pay and then have to pass on to customers are the exit of the UK from the Single Market, the Covid-19 pandemic, and peaks in fuel and energy costs.

We have tried to mitigate the effects of these rising costs by:

- absorbing some of them and so reducing our profit margin
- shopping around for better deals
- attempting to keep the ongoing costs of the business as low as possible. For example, we signed a new, competitively priced electricity contract with British Gas in November 2021, which means that for the time being we are protected from the worst of the increases in energy prices.

We achieved a profit for the 21-22 financial year and we are fortunate that we have some capital in reserve to cover any costs that exceed our annual profit going forward. However, we are conscious that we need to contain expenditure and costs in all areas to remain a viable business.

6. Shop premises

Our rent went up by £25 to £425 at the start of the 21-22 financial year, as agreed in our lease.

John and Pam Young informed us of their intention to sell the flat above the shop but to retain ownership of the shop premises so our lease will continue with them. The Youngs are scheduled to move out in autumn 2022.

7. Stoke Community Shop staffing

We have one paid member of staff. All other members of staff, including Volunteers and Members of SSHCSL Management Committee (Board Directors), are unpaid. Each shift is covered by one Supervisor and at least one Volunteer. Two Volunteers are required during busier periods.

The paid Manager/Supervisor post is part-time, 22 hours a week, plus extra hours as required. The rest of the time the shop is supervised by a member of the Management Committee. Ann Davison remains in post as Manager and continues to make a very valuable contribution to the smooth operation of the shop.

The Management Committee discussed hiring a second employee – a part-time deputy manager who would cover voluntary supervisor shifts and deputise for the Manager when away. It was agreed that, budget allowing, we would employ for an extra paid member of staff in the 22-23 financial year, hours to be agreed.

Lyn Foley also explored options for apprentices but was unable to gain access to the government Kickstart apprenticeship scheme, a programme which was withdrawn in 2022.

8. Stoke Community Shop Volunteers

We welcomed Samantha Merrick as our first Duke of Edinburgh Award Scheme candidate. She worked as part of the Volunteer team over a number of months and SSHCSL plans to continue supporting DoE candidates to complete the community element of their projects.

Ann Davison took over managing the shop Volunteer rota with support from Emma Herrod in September 2022.

Post-pandemic, many of our original Volunteers returned to work, to be replaced by those who had ceased shielding as well as others who want to get involved in the community – including people newly moved to the village. As at 28 February 2022, we had 30 active Volunteers doing shifts in the shop, delivering orders or helping with store maintenance.

To show our thanks, all Volunteers who were available for work as at Christmas 2022 were given a £10 shop gift voucher. We also held a well-attended Volunteers Evening at the Memorial Hall on 9 October 2021 with a light meal provided by a Kouple of Cooks.

Thanks to the hard work of our Volunteers, Stoke Community Shop won the Prestige Corporate Livewire Convenience Store of the Year for the South West Award in February 2022. A group of Volunteers travelled to the awards ceremony in Devon in June 2022 to receive the accolade on behalf of the shop.

Without our Volunteers Stoke Community Shop would not be able to operate. They work every day of the year except Christmas Day and their generosity enables us to keep the shop open for the whole community seven days a week, which many community stores do not. They do this all for free and the Management Committee really cannot thank them enough for their support.

However, we do need more Volunteers. We put regular requests for new helpers in the Village Newsletter in an attempt to keep our numbers up and the Management Committee would welcome Members' suggestions on how we can ensure that we can continue to attract and retain

Volunteers. If you are interested in becoming a shop Volunteer – or know someone who is – please speak to a member of the Management Committee or drop into the shop for a chat with the Manager or one of the Supervisors.

9. Marketing and communications

The main aims of our marketing and communications are to: inform local people about our goods, services and events; attract new Volunteers; increase shop footfall, both from Stoke-sub-Hamdon and surrounding villages; and to attract new Members.

We regularly advertise in Stoke village newsletter and the Hambook. We also have:

- a website – <https://stokeshop.co.uk/>
- a Facebook page – <https://www.facebook.com/stokecommunityshop/>
- a Google business page
- a Neighbourly page – <https://www.neighbourly.com/project/5e776175c7ac8e1938d4118b/>

We continue to produce and sell promotional shop-branded jute bags, pens and thermal mugs.

Our shop window has also become a key marketing feature, creatively dressed by Sue Menzies and Jan Daniels with support from Sue Wright to reflect various events during the year, such as Mother's Day, Christmas, Easter, Halloween and other seasonal themes.

10. Shop products and services

We provide a full range of core products, from bread, tinned and frozen goods to home cleaning products. We continue to adapt and expand the range of goods and services we offer, often at the request of customers.

- **Post Office:** We retain the out-reach services of the Post Office, provided by Paul Price from Queen Camel. This provides us with a small income per session, three times a week.
- **Payzone:** We continue to offer Payzone, which enables people without internet access to pay a wide range of bills and top up their mobile phone. This service provides the shop with a fractional direct income but benefits our customer base and attracts them to use the store.
- **Newsagents:** We continue to use Smiths News as our wholesale supplier. There isn't a large margin but it attracts customers who then buy other goods. We are one of the few community shops locally to sell newspapers and magazines seven days a week.
- **Fruit and veg:** Our previous supplier, Veg Shed, closed during the year. We were temporarily able to get supplies from Nick's Fruit & Veg in Yeovil but this proved unreliable and unsuitable as he specialised in supplies for catering. We have since returned to sourcing fruit and veg from local supermarkets and supplementing these with supplies from local gardens and allotments.
- **Opening hours:** In April 2021, we extended our weekday opening hours by 30 minutes a day, to 4.30pm, by customer request.

11. Customer experience

We have made further changes during the year, including:

- replacing 1 freezer and 2 chillers in the summer of 2021 and re-configuring the shopping area so chilled and frozen goods are along one wall
- purchasing a ice cream display freezer and positioning it next to the front door
- adding new shelving for the bread section, which was kindly made for us by Les Ledger.
- Improving internal signage.

We continue to look at ways in which to make the store feel more spacious and an inviting and easy place in which to shop.

12. SSCSL Community Hub

One of the key aims of SSHCSL is to provide a community hub with the shop at its centre. We work with other organisations and businesses locally to promote community engagement.

While there is now less demand for all of the services provided by the Community Hub during the Covid-19 pandemic and its activities have been scaled back, SSHCSL and Stoke Community Shop continue to offer help and support to those in need on a daily basis. This includes deliveries – shop Volunteers have made more than 500 free deliveries to villagers who were unable to get out and about over the past year – help with prescriptions and access to medical/healthcare.

We are also able to provide a huge amount of information for people who drop in with queries, such as bus times, where people can take parcel returns, other store opening times, contacts for local groups and so on.

There are other numerous ways in which we provide support – from reuniting an owner with their lost dog, to reuniting people with lost keys, glasses... you name it, we'll do our best to help anyone who comes into our shop for assistance.

13. Community engagement

In keeping with our aim of maintaining community spirit, we've worked with local organisations on several events over the past year. Events included:

- **1st Anniversary Tombola, March 2021:** We held a free tombola for customers to celebrate Stoke Community Shop's 1st anniversary of opening.
- **Red Nose Day, March 2021:** we held a sale of home-baked cakes in the shop and raised £276.
- **Children's Easter Egg Hunt, April 2021:** A fun trail organised by Moira Hullet with support from Stoke Community Shop and Priory Coffee.
- **Stoke Litter Pickers:** The shop has supported Catherine Fraser's litter-picking volunteers since May 2021, providing them with hot drinks from Priory Coffee.

- **Let's Get Together Again, August 2021:** We ran a stall at the first post-Covid-19 village community event where we promoted the shop, volunteering and membership.
- **Spooky Walk, October 2021:** A ghostly trail around the village with 'live' performances by spirits and ghouls. Organised by Moira Hullet and SPAG with SSHCSL and Priory Coffee.
- **Poppy Appeal, October & November 2021:** We sold Remembrance Poppies on behalf of the Royal British Legion.
- **BBC Children in Need, November 2021:** We raised £200 through home-baked cake sales for this annual charity event.
- **Lord's Larder:** We received a huge number of donations to the food bank in Yeovil over the festive period as well as during the whole of 2021, and the Lord's Larder said they were overwhelmed by the generosity of the people of Stoke.
- **Rotary Club Christmas prize draw** – We sold tickets on behalf of Stoke Charity Shop for the annual Rotary Club draw, for which the Charity Shop receives a donation.

14. Fundraising and grants

After our all the successful fundraising of our first year, our second saw a scaling back of efforts as we had achieved many of our aims. Despite our community focus, because we are a business rather than a charity, grants are more difficult to pitch for and win.

We plan to work on identifying project areas where we stand a good chance of attracting funds and these are likely to involve working with other organisations in the village. If Members have any ideas for schemes that would be suitable, please let us know.

15. Our Members

As at 28 February 2022 we had 223 active Members, many of whom have supported SSHCSL from the very start. We continue to encourage people to become Members and support their local community.

16. Our Committee

The Management Committee remains unchanged since our AGM of 23 July 2021. As required by our Rules, three existing Committee Members and Directors of SSHCSL – Susan Menzies, Susan Wright and Rosemary Stibbon – have stood down from the Board. Susan Menzies and Susan Wright are seeking re-election at this AGM and Rosemary Stibbon is retiring.

A huge thank you to Rosemary, who has made an invaluable contribution to SSHCSL since the very start of our project. She has devoted an enormous amount of personal time and effort to help make Stoke Community Shop a success and she will be greatly missed by the Management Committee.

This leaves one vacant position and we have invited Members to apply by nomination to join our Board of Directors and take an active part in managing Stoke Community Shop.