



CCSL Business Report for 2020 Annual Members' Meeting

Cilcain Community Shop - Performance During the Second Year

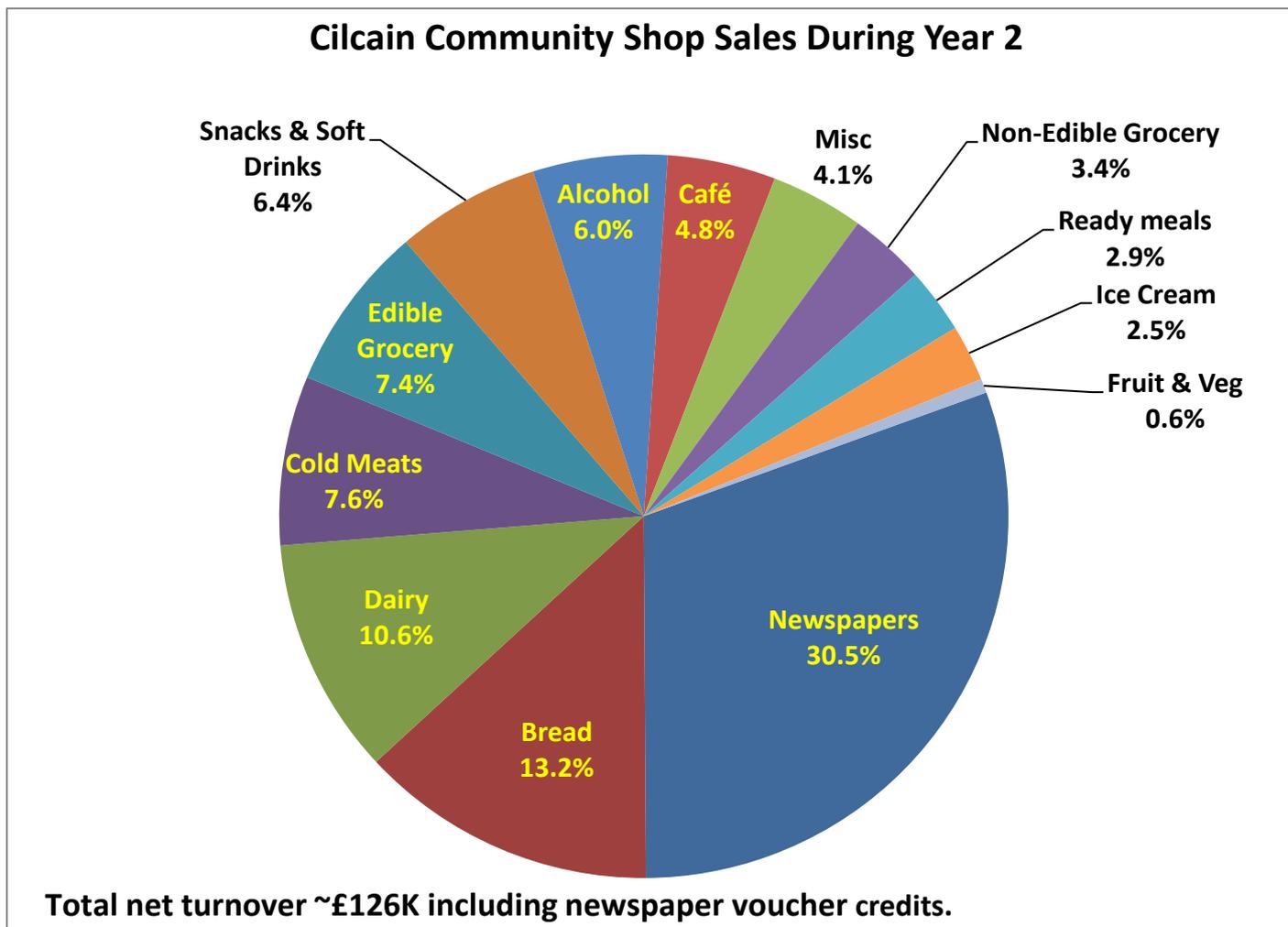
After our second year of trading, we are delighted to report that the shop has continued to grow and develop.

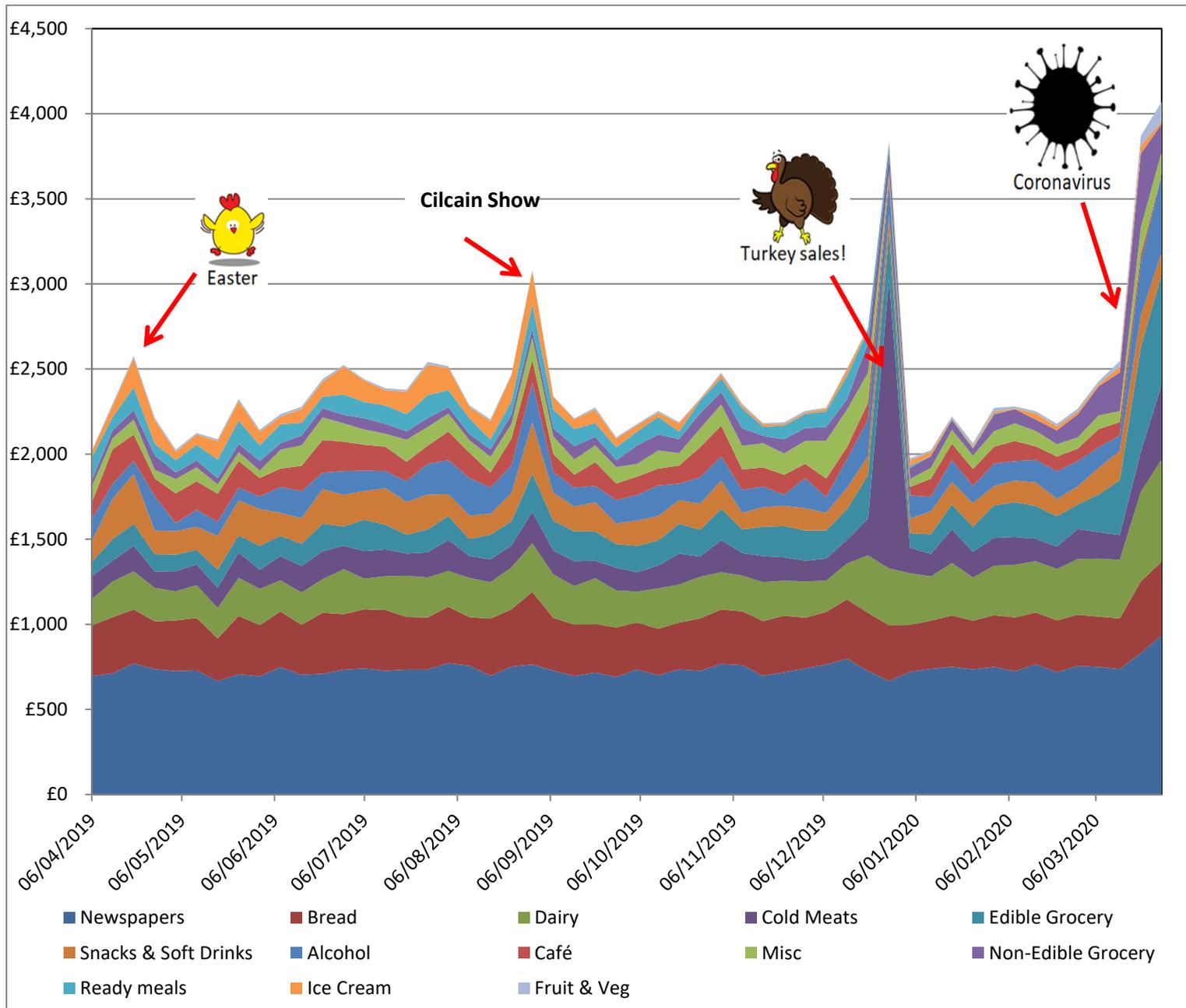
Our funding comprised a slight increase in membership shares, the second of three years of the Prince's Countryside Trust Fund and some very generous personal gifts. The Prince's Countryside Trust Fund has helped us to retain the services of our second employee, the assistant manager.

The shop has continued to trade successfully, selling around £122,000 with a gross margin of roughly 24% before overheads such as power, waste and insurance, and employee costs. We made a trading loss of £6,394, but operationally we made a profit of about £3,806 when grants were taken into consideration. £2,000 of the profit has been retained to pay for capital projects that had to be postponed as a result of the onset of lockdown and this has been accounted for as part of the £6,394 trading loss. The trading loss is attributed, in part, to the shop now paying a full year of overheads and contributing more to the upkeep of the Village Hall. We have made some progress in expanding the business but are still working towards our goal of covering the employment grant and trading sustainably.

A small Corporation Tax bill of £410.02 is payable on the profits. Members are entitled to see the full shop accounts on request – please do ask. Regulatory accounts will also be available free of charge from the Financial Conduct Authority Mutuals Website when published – we are company number 7755.

The two charts attached show classes of product sales as a proportion over the financial year (April 19 to March 20) in a pie chart format, and the week by week sales figures as a line graph during a calendar year (April 19 to March 20).





Weekly sales averaged out at just over £2,000 per week, with an increase through March 2020 resulting from the onset of the Covid restrictions.

Newspapers represented over one-quarter of sales, up on last year by over 4%, and remained relatively consistent during the year. Bread and Dairy represented just under one-quarter of sales but may have contributed more to the 'margin' – the cash remaining after paying suppliers.

The café operations are likely to contribute far more to the margin than any other sales area, so although café sales are around 6% of the total, they are likely to contribute around 20% of the margin.

As predicted, alcohol sales were more significant in this year and contributed 6% of the turnover.

Events like the Cilcain Show, major holidays and sales of Christmas products (particularly Turkeys and Christmas Trees) made a significant contribution to our overall income again.

In order to reduce our trading loss next year we need to continue to expand café sales in particular, and further increase sales of edible and non-edible groceries, where the shop sells at Recommended Retail Price to be competitive with other outlets – check out our prices!



Cilcain Community Shop

Plans for 2020-2021 and 2021-2022

The main goal for the shop for the current and next year is to develop sales and profitability, such that we can deliver the defined purposes without being dependent on grants for financial viability.

During the financial year 2020/21 to date several significant developments have been implemented:

- A new Cilcain Community Shop website has been created with English and Welsh language versions.
- Benefits of increased storage and office space within the old school kitchen have been realised through the refurbishment by the Village Hall Management Committee of the old school kitchen.
- New and improved signage has been implemented.
- Significantly increased milk supply has been maintained following the retirement of Keith Davies at the end of 2019.
- **The response to the Coronavirus outbreak has included:**
 - Reduced opening hours and the introduction of an order and delivery service and the introduction of an invoicing system, allowing customers to pay for their orders online.
 - Substantial increases in sales, with an associated step up in supplies.
 - New temporary layout, with the cooperation of the Village Hall Management Committee, to enable safe social distancing and one-way flow of shoppers, storage and display of a wider range of goods.
 - Improved supplies of meat, fresh fruit and vegetables. Our Manager & Assistant Manager, Sam & Di, have introduced some new suppliers, helping us to better maintain the core range of products and also new alternative products (e.g. dog biscuits...).

These changes have enabled the provision of a vital service to the community, and particularly to those who have been isolating. They could not have been implemented without the very substantial efforts of many, and the CCSL Management Committee would particularly like to highlight the outstanding contribution of our Manager & Assistant Manager (Sam and Di), and of volunteers who have been able to step up their engagement to provide the increased service and to cover for volunteers who have been isolating. We also recognise the willingness of volunteers young and older who have implemented home deliveries for nearly 6 months. **Thank you all.**

Plans for the remainder of 2020/21 include:

- Returning the Village Hall to more normal use and returning the shop to its original premises, subject to any legislation constraints and maintaining of safe working practices.
- Widening the shop entrance door (awaiting Community Council approval).
- Improving the shop layout for improved social distancing and stock visibility and storage.
- Reinstating a café/drinks service (depending upon the coronavirus situation).
- Supporting reintroduction of a Post Office service to the building.
- The shop opening hours have recently been increased to 8am to 1pm Monday to Sunday and opening hours will be reviewed month on month, and increased if possible.
- During the lockdown period, customer use of the shop greatly increased, even with the reduced opening hours, We have seen an increase in the frequency of visits, increase in new customers, and an increase in the average spend per visit. Sam & Di plan to maintain this positive situation with regular price comparison updates and posts on social media.

Plans for 2021/22 include:

Development of an extended café service, with due consideration of the capacity of volunteers to deliver a bigger service and taking into account Village Hall kitchen availability.

Working with the Village Hall Management Committee on facility improvements, including foyer and toilets upgrade.

CCSL Membership Report for the 2020 Annual Members' Meeting

Cilcain Community Shop Limited became a legal entity (Community Benefit Society) on 16th April 2018, and by 5th July 2018 had 195 Members.

At the end of the first financial year on 31st March 2019, the Society had 196 Members.

During the second financial year, ending on 31st March 2020, 9 new Members joined and the Membership, at 31st August 2020, is 202 Members.

Sadly, we lost two Members during 2019 and one during 2020.

Membership is the means by which the Society is owned by the community. Membership provides Members with access to information, a voice in the Society, and the opportunity to be elected to a representative role in its governance.

The Management Committee can comprise of between 3 and 12 Members and up to a quarter can be co-opted. Elected members of the Management Committee hold office for 3 years and co-opted members serve until the next Annual Members' Meeting.

Membership is open to anyone over the age of 16 and supports the Society's purpose. The Society has shares of £10.00 each and the minimum shareholding is 1 share.

The Society has a "One Member, One Vote Policy", irrespective of whether they also own investment shares or not.

People should be encouraged to become Members in a non-intrusive way and the Management Committee is always looking at more interesting ways to inform people about the Membership structure of the Society and of Community Benefit Societies in general.



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31st August 2020

Company Number: RS007755

www.siogymunedolcilcain.co.uk - www.cilcaincommunityshop.co.uk