Independent review
Following a review of the financial statements, associated underlying basic records and limited enquiries, there are no material aspects to report where I have identified any disagreement between the financial statements and underlying accounting records maintained by the Community Benefit Society. Also the financial statements do appear to have been drawn up in a manner consistent with the Community Benefit Societies Act 2014. The financial statements are subject to finalisation ahead of submission before the end of October.

Performance
For 2025/26, Ermington Store and More has returned to a much more stable footing and it has largely performed close to budget for revenue, direct cost of sales and operating expenses.

Despite a trading loss of £1,352, there has been an improvement in the cash position at year end. This improvement should not be estimated as the cash position does vary through timing of invoice payments, receipt of cash from the card payment provider and other timing issues. However, the loss, which is much smaller than the previous year and the stabilised cash position are indicative of a Community Society which is better placed to cope with challenges ahead.

This accompanied by a business plan for the current year (2026/27) which focuses on the detail (including for example auditing of existing third-party agreements to ensure costs remain optimal) is a positive sign. The store moved quickly in the reporting year when the key EPOS/IT supplier proposed to significantly increase its charges, which would have had a material impact on the business.

There are a number of balance sheet movements which do not reflect trading – such as the unwinding of asset investments made at the start of the Society's life in 2020 and the unwinding of matched grants recognised within 'creditors.' This is the final year of this unwinding. Assets purchased and improvements made to the building in 2020/21 are now fully 'depreciated' within the capital/fixed assets section of the balance sheet. This does not mean they are no longer in use.

As an exceptionally small business, Ermington Store and More continues to benefit from 'Employers Allowance' and is not subject to Employers' National Insurance. Therefore the significant changes to national insurance brought in on 1 April 2025 do not impact the business. However, costs remain a challenge to retail businesses and mechanisms such as the energy price cap do not apply to businesses. Coping with price inflation has remained a challenge.

The Committee has again managed to continue to oversee the operation of a genuine asset to the community which still achieves its main operational goals and Community Benefit. The Parish Council awarded Ermington Store and More a £5,000 grant in the year. This has been provided to purchase kitchen equipment to enable a wider range of food to be prepared with the objective of increasing income generated by the Cafe.

Note
As described on page 2 the members of the management committee are responsible for the preparation of the financial statements in accordance with applicable law. This independent review is not a formal assurance report, however is intended to provide the Annual Members Meeting (AMM) with an additional independent review of the financial statements.

In line with section 2014 of the Co-operative and Community Benefit Societies Act 2014, with assets less than £5.1 million and turnover less than £10.2 million, the Society does not have a duty to appoint statutory auditors, and this review does not constitute a statutory audit, nor is this review carried out in line with a formal framework.

Matt Woolcock FCA