MONTHLY REVIEW

BDO CHARITY RETAIL SALES TRACKER

DECEMBER 2020

A MONTH OF TWO HALVES AS CHANGING RULES IMPACT RETAILERS

CHARITY

-26.2% Total sales

December 2019: +3.9%

-27.3% Total sales of donated goods

December 2019: +4.9%

-23.4*% New sales

December 2019: -2.7%

29.9% Gift aid conversion rate

December 2019: 31.2%

* Figure re-stated excluding extreme value

COMMERCIAL

-31.4% Commercial high street sales**

December 2019: +0.7%

**Source: BDO High Street Sales Tracker
www.bdo.co.uk/high-street-sales-tracker

High: -39.1%
Low: -55.3%
High street footfall

2019: -2.1% / -7.3%

High: -9.1%
Low: -18.3%
Retail park footfall

2019: +4.5% / -5.7%

High: -33.9%
Low: -47.5%
Shopping centre footfall

2019: +2.9% / -7.5%

Any footfall figures quoted come from Springboard who are a leading provider of automated visitor counting and retail sales analysis.

CHARITY AND COMMERCIAL RETAILERS

In a month of two halves, charity retailers reported some of their weakest results in December 2020, with total LFL sales down -26.2%. This, however, was still slightly ahead of the commercial high street, where total LFL sales were down -31.4% as overall footfall fell steadily through December amid stricter and more widespread restrictions across the UK. Gift aid was a challenge for some charity retailers, but donated goods volumes remained at healthy levels. On a bright note, online sales are starting to become an alternative sales channel for some charity retailers.

Although several charity retailers continued to reopen more shops in December, amid easing restrictions in some parts of the UK, these efforts were soon paused as stricter lockdowns came into place. While sales in the run up to Christmas managed to provide an initial boost this month, the new closures and significantly reduced footfall severely impacted sales. One charity retailer reported their store estate had been reduced to less than a quarter in December due to closures.

For charity and commercial retailers alike, December failed to provide closure on the trials of 2020. Instead, retailers will be facing a hangover of low expectations amidst fresh lockdowns and new trading rules with the EU. The same is likely to be true for consumers. The vaccine rollout programme catalysed a brief swelling of confidence in December, however upward momentum will be difficult to sustain in the new year with enduring social distancing and the expiration of key support schemes. December provided further evidence that one of the obvious takeaways of 2020 is that retailers must establish an efficient balance across channels. However, while retail businesses can help themselves by focusing on channel split and cost efficiency, they also require stability and reassurance that key support measures will not be pulled away too hastily as they plan for the future. For charity retailers, while digital charity shops represent a huge opportunity to expand their reach, there can still seem to be significant barriers to entry.

INDIVIDUAL CHARITY'S LIKE-FOR-LIKE GROWTH (DECEMBER 2020)

VERY LARGE CHARITIES (301+ SHOPS)

Charity	Total sales	Total sales of donated goods	New sales	Gift aid conversion rate	Comments
F	-18.50%	-15.69%	-31.97%	37.58%	Note that dates for the sales reported do not match the calendar month.
B	-19.10%	-21.24%	-9.64%	42.79%	Note that dates for the sales reported do not match the calendar month.
C	-21.63%	-25.63%	-10.52%	39.30%	
D	-28.65%	-27.86%	-34.96%	26.75%	
BB	-37.61%	-41.11%	-31.99%	27.64%	This month's challenge was the increased number of areas moving to Tier 4 lockdown in England, leading to further shop closures and impacting sales. Note that dates for the sales reported do not match the calendar month.

LARGE CHARITIES (101-300 SHOPS)

Charity	Total sales	Total sales of donated goods	New sales	Gift aid conversion rate	Comments
W	-14.93%	-11.41%	-31.95%	6.21%	Note that dates for the sales reported do not match the calendar month.
A	-28.53%	-31.78%	-19.83%	38.87%	This month's challenge was footfall.
L	-34.02%	-38.03%	-507.19%	35.29%	Note New Sales value was a credit in 2019 due to a prior year adjustment. Note that dates for the sales reported do not match the calendar month.

NOTE:
Category classification (Very Large, Large, and Medium) on pp 2 and 3 is based on the total store portfolio regardless of COVID-19-related closures still in place.
Store count and category classification on pp 1, 4 and 5 is based on December 2020 figures. Due to COVID-19-related closures, category classification has changed for some charity retailers.

INDIVIDUAL CHARITY'S LIKE-FOR-LIKE GROWTH (DECEMBER 2020)

	Charity	Total sales	Total sales of donated goods	New sales	Gift aid conversion rate	Comments
MEDIUM CHARITIES (21-100 SHOPS)	AA	-14.73%	-21.33%	39.95%	27.59%	This month's highlight was the reopening of stores.
	N	-29.94%	-26.91%	-52.83%	31.11%	This month's highlight was being able to get all shops open in the run up to Christmas. Challenges this month were the quality of donated stock, staffing levels, and footfall.
	S	-40.65%	-38.87%	-50.09%	16.0%	This month's highlights were the level of donations and footfall, while staffing levels and COVID-related shop closures were a challenge.

NOTE:
Category classification (Very Large, Large, and Medium) on pp 2 and 3 is based on the total store portfolio regardless of COVID-19-related closures still in place.
Store count and category classification on pp 1, 4 and 5 is based on December 2020 figures. Due to COVID-19-related closures, category classification has changed for some charity retailers.

KEY CHALLENGES THIS MONTH

- Impact of COVID-19 restrictions on trade
- Footfall
- Staffing levels
- Quality of donated stock

HIGHLIGHTS THIS MONTH

- Reopening of stores
- Level of donations
- Footfall

"Although several charity retailers continued to reopen more shops in December, amid easing restrictions in some parts of the UK, these efforts were soon paused as stricter lockdowns came into place, significantly impacting footfall and sales."

LIKE-FOR-LIKE GROWTH BY RETAIL CHAIN SIZE

LFL SALES GROWTH

Retail chain size	Total sales	Total sales of donated goods	New sales	Gift aid conversion rate
Very Large	-25.10%	-26.31%	-23.82%	34.81%
Large	-31.27%	-34.91%	-19.83%* (-263.51%)	37.08%
Medium	-25.06%	-24.63%	-23.73%	20.24%

LFL GIFT AID GROWTH

Retail chain size	Number of retailers/ individual stores	Total sales	Retail gift aided sales as a proportion of total sales of donated goods (gift aid conversion rate)		
			Average	Lowest	Highest
Very Large	5/2,449	-25.10%	34.81%	26.75%	42.79%
Large	2/159	-31.27%	37.08%	35.29%	38.87%
Medium	4/206	-25.06%	20.24%	6.21%	31.11%

* Figure re-stated excluding extreme value

WEBINAR: CHARITY RETAIL TRADING UPDATE
4 FEBRUARY 2021, 09.30 - 11.00AM

Join us on 4 February 2021 for our annual Charity Retail Trading Update webinar where we will examine 2020's events and explore the impactful trends that are relevant to retailers, as the sector navigates the challenges faced and rethinks how it's positioned in the new reality.

Our BDO Charity Retail team will be joined by Robin Osterley, CEO at the CRA, providing his sector insights and Sophie Michael, Head of Retail at BDO, for a commercial perspective.

Don't delay, register your place now: HERE

This report has been produced in association with the Charity Retail Association (CRA). The CRA is the only membership body in the UK that represents the interests of charity retailers. We have more than 400 members, running more than 8,700 shops between them.

The CRA produce a separate Quarterly Market Analysis report and specialist reports (e.g. on volunteers, salaries, selling prices, sources of stock, rag prices, etc.); which provide detailed retail benchmarking data for charities of all sizes.

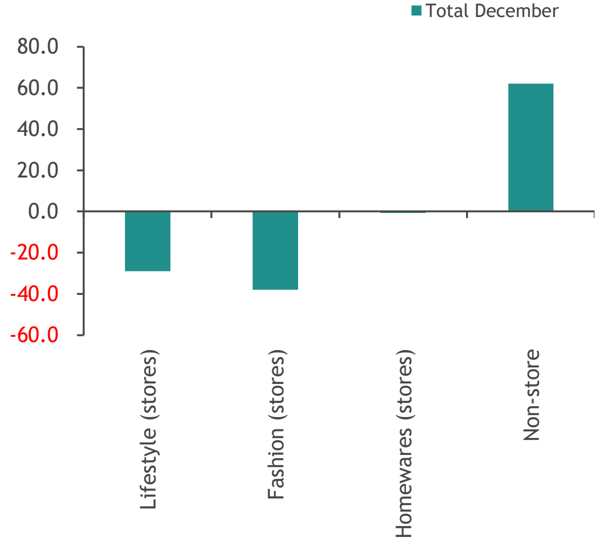
Please contact Olaia Alamos Castresana for further details: olaia@charityretail.org.uk

MONTHLY LIKE-FOR-LIKE RESULTS - LAST SIX MONTHS*

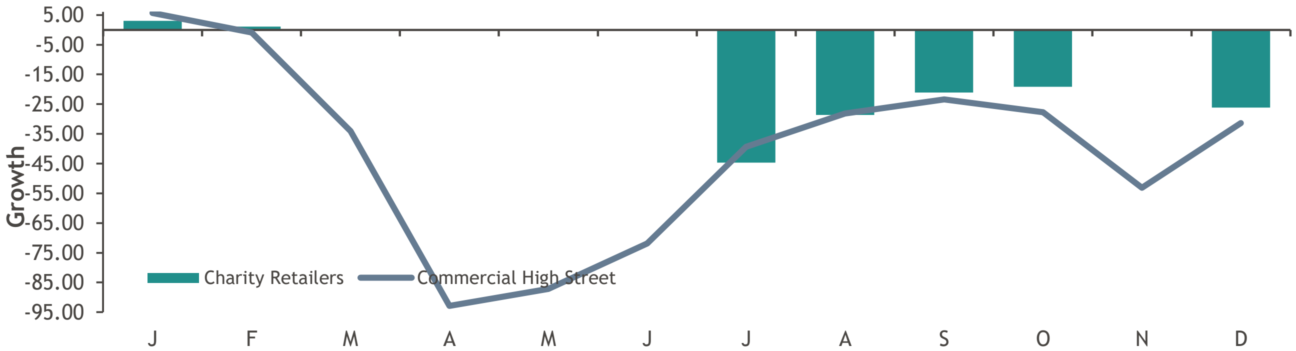
LFL Growth	Feb	Jul	Aug	Sep	Oct	Dec
New Sales	+4.65%**	-53.91%**	-43.49%**	-40.07%**	-14.05%	-23.38%** (-67.36%)
Total Sales of Donated Goods	+1.61%	-44.38%	-28.10%	-20.90%	-19.51%	-27.26%
Gift aid Conversion Rate	30.28%	32.85%	29.58%	29.41%	32.31%	29.93%
Commercial High Street (stores)	-0.9 %	-39.4%	-28.1%	-23.4%	-27.7%	-31.4%
Total Sales	+1.05%	-44.70%	-28.61%	-21.11%	-19.18%	-26.21%
Population						
No of retailers/Individual stores	18/3,925	14/2,897	13/2,796	12/2,663	13/3,180	11/2,814
- VL	5/2,849	4/2,199	4/2,009	4/2,165	5/2,443	5/2,449
- L	5/766	4/431	4/535	3/303	4/495	2/159
- M	8/310	6/267	5/252	5/195	4/242	4/206

* Due to store closures triggered by COVID-19, data for March, April, May, June, and November is unavailable.
** Figure re-stated excluding extreme value (large charity). Figures incl. extreme value were +23% (Feb), +172% (Jul), +709% (Aug), +37% (Sep)

BDO HIGH-STREET SALES TRACKER LIKE-FOR-LIKE RESULTS DECEMBER 2020



ANNUAL MONTHLY ROLLING LIKE-FOR-LIKE RESULTS 2020: CHARITY VS. COMMERCIAL RETAILERS*



FURTHER INFORMATION:

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