



Minutes of the AGM of Findon Village Collective Limited held at Cissbury Barns, Nepcote, Findon on 20th November 2019 at 7.30pm

Present: The Management Committee Members: -

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| Steve Smith(SS) | Chairman |
| Jo O'Dell (JO) | Vice Chair |
| Alan Holmes (AH) | Treasurer |
| Becky Fagan (RF) | Branding/Promotions |
| Stephen Porti (SP) | Buildings Advisor |
| Richard Pratt (RP) | Company Secretary |
| Anne Colville (AC) | Compliance |

80 Shareholders were present

1. Chairman's Opening Remarks

SS opened the meeting by thanking Geoffrey and Etta Wyatt for the generous provision of the venue for the third time and all those present for attending, and then gave an overview of items on the agenda to be covered.

2. Apologies

Apologies were received from 31 shareholders.

3. Presentation of Annual Report

SS reported that it had been a very successful year financially. The business has achieved a sustainable performance and no borrowing or external funding has been required for capital investments. The financial objectives have been reached to the target level without either overcharging or making excess profits. These achievements have been delivered by the community as a whole, shareholders, staff, volunteers and customers all pulling together.

SS continued that care has been taken to offer a broad product range which has produced good results. Pride is taken in our customer service which makes the business one people wish to visit. The building, which is very old, is being maintained and this is an ongoing process with work to be continued. The Post Office service continues despite its costs of operation exceeding its income by a considerable margin. We continue to provide this service as it is a vital service to customers. This will continue whilst the shop prospers.

New equipment has been purchased and provided great improvements especially in the area of software. Products are sourced from the best possible suppliers, local wherever possible, e.g. eggs and bread. The high quality products give the highest margins of profit and these are needed to balance out those with low

margins like tobacco and cigarettes.

There have been some changes in Management Committee with only two of the main roles being unchanged. Steve Smith replaced Peter Goldsworthy as Chair and Richard Pratt has replaced Jan Vandevelde as Company Secretary. Alan Holmes replaced Helen Woods as Treasurer and Anne Colville is to be elected as Compliance Advisor.

Changes in staff include the resignation of Liz Legge to commence a new career in an equine veterinary practice . Her replacement, Sally, was appointed from more than 200 applicants. She has settled well in the role. Helen Morris has been promoted to assistant manager and plays an important role in the business.

There has been considerable turnover amongst the volunteers with some leaving due to ill health and also the sad death of Gloria Farmer. There are also some new recruits.

The Plunkett Foundation continues to play an important role, being part of the Community Business Network and enabling discounts from some suppliers.

Problems continue with the provision of newspapers by Smiths News and Angus is often to be seen buying and delivering papers when they have let us down. Sadly there is no alternative supplier.

A new software system called 3 Rings has been trialed for organising the volunteers' rota and appears to be going well. A 25% discount on this was available through membership of the Plunkett Foundation. SS has been invited to join their team and advise other member businesses.

Several challenges have had to be overcome. The new accounting package (ClearBooks) was purchased and proved to be highly efficient and effective to manage our financial performance.

We take the trouble to price compare intended purchases of goods which makes sourcing at best levels easier. Some suppliers are more difficult owing to the fact that some suppliers have high minimum order levels and with storage space an ongoing issue, this does mean that sometimes we run out of some lines. The level for free delivery by Bestway, our main Cash and Carry supplier is now £1000 which we just about meet at present. Delivery charges would make this unfeasible.

Plunkett have been requested to represent their members looking into creating a co-operative purchasing plan for community businesses.

It has been suggested that some of the products are too expensive. JO did an in-depth survey and found that in many areas our prices were cheaper than supermarkets.

There are some considerable expenses to be considered including replacing or repairing the roof. Total replacement could be as much as £30K so hopefully this can be delayed. A new boiler and other repairs to the flat could also add approx £5K and will probably need doing in 2020. Hopefully if the business continues as it is then it will be possible to raise enough to cover this.

4. Report on state of membership and membership strategy.

RP reported that membership currently stands at 384 with a total of 487 shares

issued. He added that we are a community benefit society and that is what we have set out to do. We can be justly proud of the results to date but must never become complacent. To this end it is important to engage with newcomers to the village with a view to encouraging them to become involved and maybe buy shares.

RP also mentioned that dividend payments are unlikely to be made in the near future as any profits will be reinvested in the business.

Finally RP encouraged as much communication between shareholders as possible and reminded the audience to visit the website, findonvillagestore.org for regular updates.

5. Report on Accounts to 31st July 2019

AH advised that there are 4 items from the accounts to which he would like to draw attention.

Firstly he is very pleased with the results for the year which has been far less dramatic than last year when everything was being started. This has been a year of consolidation and building upon the achievements started in the first year. The turnover has increased from £32K per month last year to £36K this year with an annual figure of £430K net of VAT. Monthly turnover continues to increase and is currently standing at £39K per month. The gross margin has also increased from 20% to 23.5%. We had aspired to 25% but AH is happy that this is "within hitting distance."

This year's net profit is £20K - up from a loss of £10K in the first year. This shows a very good result and one we can all be proud of. An unfortunate side effect of this success is having to pay corporation tax this year thus reducing the profit to £16K. A victim of our own success.

It is interesting to note that we are one of the most successful shops in the list of Community Shops involved in the Plunkett Foundation whose average turnover figures amount to £150K each whilst ours is £430K. The average number of volunteers is 20 whilst ours is 40 and the average number of shareholders is 200 and ours is 380. We are in the top ten of Community Benefit Shops in the Country.

You may recall that we tried to gain tax relief for shareholders under a scheme called The Enterprise Investment Scheme but this was refused by the Inland Revenue because of the rental income from the flat.

However, our attention was drawn to another scheme called SISR and I am delighted to advise that the Inland Revenue have agreed. The benefit will apply to original investors only. Certificates have been prepared and will be sent to eligible shareholders by the end of this month.

AH closed with thanks to all and added that it was a privilege to be part of the team.

6. Resolutions

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| (1) To receive the annual accounts for period to 31.07.2018. | Carried |
| (2) To receive the annual accounts for period to 32.07.2019 | Carried |
| (3) To exercise the power under Rule 6.2 not to appoint an auditor for the annual accounts to 31.07.2020 | Carried |
| (4) To elect Richard Pratt and Anne Colville as members of the Management Committee for a two year period. | Carried |

7. Questions from the Floor

Q. Credit card charges of £2,270 are noted. Could debit cards be used instead to avoid these charges?

A. The charge covers both debit and credit cards.

Q It is nice to see a profit is being made but most of this appears to be from the flat rental. Could the rental be separated to show the actual figures?

A. It is true that the contribution made by the rental represents a high proportion of the profits. However, expenses incurred by the flat are also part of the picture - the breakdown is shown in the detailed profit and loss account.

Q. Will auditors be a legal requirement in future?

A. No. There is no mandatory legal requirement for this unless the shareholders ask for it.

Q. The estimated cost of the roof renewal could be £30K and the cash balance is £100K. Is the intention for the roof to be paid for out of this or would a loan over say, 5 years be better?

A. In a time of uncertain political future we may find that we struggle to “tough it out” and therefore may need cash to fall back on. When the money for the roof is needed if it is sensible to borrow or find grants we will do so in order to protect the cash reserves if possible.

8. Any Other Business

i) Jan Vandervelde left the committee earlier this year and as a token of appreciation a gift was presented to her by JO. The same will be done for Helen Woods who is not here this evening.

ii) An appeal was made for volunteers to help with Christmas wreath making and/or donations of greenery and other materials for this. Last year approx £1K profit was made from these. Please see RF or any committee or staff member.

iii) JO told some very amusing anecdotes about the year 1969 and then announced that it is now the 50th anniversary of the start of Julian’s career with the Post Office. The occasion was marked by presenting him with a personalised Brighton and Hove Albion shirt and a celebration cake.

iv) Margaret Bamford, Volunteer Co-ordinator, thanked the volunteers, staff and committee and the meeting was closed.