

Subject to approval at the 2019 AGM

DRAFT Minutes of the Seventh shareholders' Annual General Meeting for the Spaxton Community Shop Society Ltd.

The meeting was held on Wednesday 23rd May 2018 in Spaxton Village Hall pavilion.

Introductions. Sitting at the top table were Sally Foxhall ,deputising for the Chairman Joshua Schwieso who was absent, Bidy McWilliam, management committee member who kindly read out the chairman's report, Simon Haswell, Hon. Treasurer, Charles Greenow our accountant and Alison Goldie, Hon. Secretary.

1. **Present:** 37 shareholders attended. Apologies were received from 22 shareholders in total.
2. **Minutes of the AGM from 12th April 2017** were unanimously approved. These were signed off by the deputising chairman Sally Foxhall.
3. **Matters arising** from the above. None.
4. **Chairman's Report.** In the Chairman's absence this was read out by Bidy McWilliam. See Appendix 1. There were no questions about the report.
5. **Presentation and approval of the accounts.** Simon Haswell , Hon. Treasurer, presented the accounts. See Appendix 2 for his presentation. There was much vocal appreciation shown by the shareholders when Simon praised the outgoing treasurer Richard Lee. Questions followed this presentation:
What was the profit in the last trading year? Charles Greenow replied that the pre-tax profit had been £9,982.

What has the profit been spent on? Answers pointed to the facts that:

We have given money to the school and some other community ventures.

Our profits are much reduced compared to the previous year because we have deliberately reduced our prices in the shop.

We do have to make plans to set aside money to allow for the deterioration of and the necessary replacement of capital goods.

In the future we may wish to extend the store.

Has the committee thought about the possibility of carrying over profit from several years in order to finance a big community project such as running a minibus? The replies suggested that although this has not been considered up until now it seems a good idea. The committee would certainly seriously consider in the future a properly worked-up request for funding for such a project. The meeting then voted on the following motion:

"This meeting of shareholders accepts the 2017 Annual accounts as presented at the meeting"

This was proposed by Vernon Hughes (others also offered to do so) and seconded by Alison Goldie
The motion was carried unanimously.

9. Disapplication of Requirement for Audit:

Item 9 on the agenda was dealt with, as it was more appropriate to do so, immediately after item 5. In the absence of any concerns about the health or propriety of the society's financial affairs, the members can vote to disapply the formal requirement for formal audit and thereby save the cost of professional fees likely to cost around £5,000. The meeting voted on the following motion:

"This meeting authorises the Management Committee to disapply the requirement to undertake a full professional audit for 2017" Proposed by Sarah Upfield, seconded by Jane Fear , passed unanimously.

6. Up to date trading report: Simon Haswell See Appendix 3.

One shareholder suggested that we advertise our need for a new bookkeeper on the "nextdoor Spaxton" online site in addition to the community newsletter.

7. Membership Report. Our membership has only changed slightly from last year .We have grown from the 303 shareholders mentioned at last year's AGM to 311 members , now holding 6,183 shares at the value of £30,915. 273 of the members reside within the postal code of TA5.

Shareholder application forms will be available in the shop.

8. Election of Management Committee members. The maximum allowed number on the committee is twelve people .We have had eleven members over the last year. Biddy McWilliam and Sian Sedwick-Wilde are stepping down and many thanks to them. Three committee members are obliged to stand down because they are at the end of a three year rotation but they are willing to be re-elected. These are Cath Macadam, Melanie Hall and Sally Foxhall. The result is that there are three vacancies on the committee. Did any shareholder present at the meeting wish to join the Management Committee ?

Question. Sarah Upfield asked what was involved in becoming a Management Committee member. Sally Foxhall replied and included in her answer was that we have monthly meetings ,that the great majority of committee members also sit on a sub-committee such as the stock committee or the staffing committee or are involved in some other associated activity-e.g. treasurer .In addition some volunteers sit on sub-committees without being on the Management Committee and they are most welcome to express an interest in doing so.

The following motions were voted upon:

1."This meeting appoints Lee Spreadbury to the Management Committee".

Proposed by Melanie Hall. Seconded by Vernon Hughes. The motion was passed unanimously.

2."This meeting appoints Sarah Upfield to the Management Committee".

Proposed by Sue Ebsary and seconded by Fanny James. The motion was carried unanimously.

3."This meeting appoints the three members retiring after a three year rotation, Cath Macadam, Sally Foxhall, Melanie Hall to the Management Committee.

Proposed by Simon Haswell and seconded by Vernon Hughes. The motion was carried unanimously.

10.Other motions There were no formal motions proposed. The shareholder present on behalf of Spaxton School wished to express the school's gratitude for the grant received from the shop.

11. Any other Business: Juliet Lyon asked whether we needed to talk about data protection. Sally Foxhall replied that our manager Karen Dennett had been working on this with Lee Spreadbury (now a Management Committee member) and that Alison Goldie, Hon Secretary had also been involved to look at how new regulations might affect the data we hold on shareholders. In summary, as per the email sent to shareholders earlier in the day, we believe we will be compliant with the new regulations which come into effect from Friday 25th May2018.

Thanks were expressed and supported by many loud "hear hears" to Karen Dennet our manager, to all the Management Committee members , to the two management committee members stepping down and to all the volunteers for their greatly appreciated contribution towards running the shop.

Sally Foxhall mentioned that our manager Karen Dennett had attended the regional Plunkett Foundation meeting where the feedback had been that the success of community shops/enterprises was very much down to the strength of the volunteer base. This illustrates how well we are still doing with our team.

There being no further business, the meeting closed at 8:25pm.

Appendix 1.

Chairman's Report to Shareholders Meeting May 2018

Good evening Ladies and Gentlemen. As a result of a diary malfunction, your chairman is, at this very moment, relaxing in the bar of the Kings Arms in Stow-on-the-Wold, but is with you in spirit (or should that be spirits?).

I am please to be able to tell you that the shop and post office continue to prosper. We continue to make a profit, albeit on a lesser scale than last year. This can be attributed to a number of factors. Firstly, and most importantly, we have reduced prices across a range of items that we sell, so as to directly return more of our profits to the community. Secondly, and at the same time, the costs of goods to us has risen as a result of the fall in value of the pound. Thirdly, the retail economy has been in a downturn since the latter part of 2017. Nevertheless, your committee is confident that the shop is in good financial health for the forthcoming year.

As ever the successes of your shop could not continue without the active commitment of our splendid volunteers. Their numbers remain steady at around 50 and, although a few have retired as is to be expected, a trickle of new talent, has kept the numbers steady. Karen, our manger, continues to play a crucial role in keeping the show on the road, as well as monitoring the profitability of the current stock and identifying new lines. Finally there is the committee, virtually all of whom work in the shop and, or, post office, as well as meeting regularly to oversee the whole enterprise.

In my last report I mentioned our decision to employ a part-time bookkeeper to relieve the treasurer of some of their workload and to assist the manager. This has proved to be a wise decision, but unfortunately the person who has been doing it for the last 6 months is unable to continue. We are therefore currently looking for a replacement to do around 13 hours a month. If you know of anyone who might be available, please contact one of the committee or our manager, Karen.

The premises have been enhanced in a number of ways, many of which I am sure that you will have noticed. One obvious improvement is that we have extended the front veranda round the corner between the shop and the roadside hedge, and purchased a second set matching chairs and table so as to increase opportunity for customers sit and eat the snacks and drinks they have purchased. We have also invested in a brand new hot drinks machine. (Unfortunately, we have not been able to purchase good weather as well but we live in hope.....).

Other improvements to the premises include an extra video camera at the rear of the building in order to strengthen our security, blinds on the front window to protect the goods – and especially the contents of the ice cream freezer – from overheating, and some new office furniture for Karen's office.

Now to the question of community support. This year we have been able, once again, to support Spaxton School by providing funding to enable them to develop a forest school project. We also arranged for training for volunteers to learn how to use the defibrillator that was installed at the village hall just over a year ago. Early this year we agreed to sponsor one edition of the Spaxton Community news and we have also committed ourselves to provide financial support for the Spaxton Summer Flower Show (as well as remaining open on the afternoon of the flower show).

Finally, it is with sadness that we say goodbye to Biddy McWilliam and to Sian Sedgwick-Wilde, two of our longest standing committee members. Biddy joined us around 2011 when the committee were still pondering the possibility of providing an alternative shop and post office should the old Post Office Shop at Four Forks cease to trade. You won't have seen Biddy behind the shop counter as she has a real day job in the Office Furniture field, experience that has made her thoughtful and informed comments particularly valuable to the committee. You will however have seen, and hopefully will continue to see, Sian behind the Post Office counter even though she is stepping down from the Committee. Sian has taken an active role in helping to stock the shop, almost since she joined us in 2014, and we shall miss her forthright and sensible contributions to committee discussions. Biddy and Sian, we wish you both well for the future.

However – this means that we have room on the committee for new members. They need to be shareholders, which means that everyone in this room, who isn't currently on the committee, is eligible.

Every committee, however good it is, needs a gradual turnover of members in order to remain innovative and responsive to shareholders needs, as well as allowing long standing members a break. We meet roughly every six weeks, for about 3 hours. Please don't miss this rare opportunity to join us.

Cheers, Josh

Appendix 2 Presentation of the Accounts

Hon. Treasurer's Report on 2017 – for AGM 2018

2017 was a second successful full year of trading for Spaxton Community Stores; total takings (inc. VAT) were slightly over £190,000, about the same as 2016. This is all the more reassuring in view of the Committee's decision towards the end of the first quarter to reduce some of our prices in an effort to return some of the benefit of our success to the community. This effort also involved not passing on some of the increases in wholesale prices, so, as expected, the surplus for 2017 (£5,511) is down to a more sustainable level. This reduced surplus also reflects an increased liability for Corporation Tax of £4,471 which arises as allowances for pre-trading losses recede. We've invested £2,500 in improvements to the premises including the bin store and the extended outdoor seating area, and have bought additional furniture and shop equipment. The Shop also made payments to local community organisations during 2017 including £1,300 to Spaxton school for a large classroom interactive display and a Forest School project, and also £600 towards the Village Hall defibrillator.

Our biggest selling categories (>£18,000/yr) were delicatessen (which includes fresh meat), dairy products, bread, and alcoholic drinks. The next three categories, at about half the sales of the top four, are confectionery, newspapers/magazines, and household items. Interestingly, the sales of tobacco showed a fall of around 1/3 in the second half of the year, probably reflecting the change in regulations which stopped the sale of the smaller packs of rolling tobacco and cigarettes, and the change to non-branded packaging.

The Post Office continues to offer services which many customers value highly, although, due to the light demand and low level of fees received, once the cost of management time has been taken into account, there is a net cost to the shop of about £30 per week. We are managing to slowly increase the number of transactions, but at about the same rate as the Post Office is reducing the fees! So, a quick commercial:

Please consider doing your banking transactions at your Post Office. We're partnered with most high street banks for paying in cheques using deposit envelopes, depositing cash, and easy cash withdrawal by card, including giving you some change if you need it. We stock Euros if you're in a hurry, although for competitive rates order any currency from postoffice.co.uk for collection during Post Office hours: 9 'til 12, 1 'til 4 in the week, plus Saturday mornings. Please spread the word!

The people involved with shop accounting have changed quite a lot during 2017. Richard Lee who has been the financial mastermind behind the shop Treasury since we began, was in the process of transferring the bookkeeping responsibilities to a volunteer when I agreed to take on the more strategic Treasurer role early in the year. Regrettably, the volunteer was unable to continue and Richard started again in July training a second new bookkeeper, finally feeling able to give up the financial reins in December. I'd like to repeat again, from a position of greater insight, our profound thanks to Richard for his efforts in setting up and running the shop's financial systems.

The Society remains in a secure financial position having added to our cash reserve both to match the increasing likelihood of needing to replace or repair equipment as normal wear and tear progresses, and also to buffer us against a decline in retail spending which seems to be affecting some notable national chains and may explain a couple of relatively quiet months in the current year.

The Committee regularly reviews the level of takings and considers the balance between our costs, the prices we charge, sales, investment in the shop and opportunities for community funding.

Finally, I'd like to thank Charles, our accountant who most importantly has provided answers to our questions which made sense. He has also provided payroll services, and has supported us through the setting up of an employee pension for our manager, Karen, in accordance with the recent legislation.

Thank you. Are there any questions ?

Appendix 3. Up to date trading report

AGM2018 Trading Update

Whilst the overall figures for 2017 showed a settling down of our levels of business, sales during January to April 2018 have been a bit subdued. The figures are on average 13% below last year but this is partly explained by the price reductions which only began to affect the 2017 reference figures from April onwards. Hence we are comparing sales at this year's post-reduction prices with last year's pre-reduction. As the year goes on we will be comparing all post-reduction figures, which will give us a clearer view of the general trend in sales. This will then inform our decisions on future pricing and grant-giving.

It must be said that March sales were quite strong thanks largely to the snow, when the advantage of having a well-stocked local shop really came into play.

In the overview of 2017 I mentioned the changes of people involved with the shop's accounting. Unfortunately, the second bookkeeper has recently decided not to continue and we once again find ourselves in need of a replacement. It's really not as difficult as it might sound ! The ideal would be to find someone with business bookkeeping experience using VT Cashbook, but realistically we're looking for someone with secure arithmetical skills, meticulousness in the use of figures and keeping of records, and some familiarity with a computer spreadsheet. We have a computer set up for the bookkeeper and can provide training in computer skills and use of the software. Once up to speed, the role should require about 13 to 15 hours per month on average. If you think you may be able to help on either a voluntary or paid basis, please speak to a member of the Committee.

We can take questions now, but if anyone is interested in looking in more detail at the sales charts, please see me after the meeting.

S. Haswell

Hon. Treasurer

May2018