**BYTHAMS COMMUNITY SHOP**

**ANNUAL MEMBERS MEETING**

**20 October 2022**

**Minutes and Matters Arising**



**Agenda Item 1: Apologies & Approval of the 2021 AGM Minutes**

Introduction

* Ian Dugmore welcomed everybody to the meeting and went through the customary administrative duties
* He then acknowledged the Shareholders holders who were unable to attend, and invited those present to sign the register. These members are listed in **Appendix1** of these minutes.

Minutes of Last AGM:

* The minutes from the 2022 AGM were sent to all Members, and subsequently posted on the Community Shop website. No comments have been received since. As a result, the floor formally accepted them as being a true representation of that meeting

**Agenda Item 2: Annual FCA Report & Change to Rules v6**

The 2021/2022 Financial Report was submitted on Jan 22 and subsequently accepted by Financial Conduct Authority.

The FCA also approved our application to move to Plunkett Rules v6 Mar 22. Those changes reflect :

* That the Community Shop should henceforth conduct meetings online and communicate with membership via email.
* The introduction of proxy votes at membership meetings.
* That members have the ability to remove Committee members at any time.
* The recognition of the rules for additional borrowing if it were needed.

**Agenda Item 3: Requirements for Audit**

Under the provisions of the Co-operative and Community Benefit Societies Act 2014, the Society has the power to decide not to appoint an Auditor(s) to audit its Annual Accounts. This was subject to a vote by Members at last year’s AGM. At that point Members voted not to appoint an Auditor for those year’s accounts.

This year’s draft accounts are in the process of prepared, again utilising the skills amongst the Committee. It is then planned to use the nominated Accountants to sign off those accounts prior to submission to the Financial Conduct Authority (FCA) on 31/1/2023

It was noted that the Shop incurred circa £900 in this Financial year-to-date and that we should aim to reduce this amount significantly when we appoint any new Accountants [[1]](#footnote-1)

This approach was agreed unanimously by the members present

**Agenda Item 4: Management Committee**

For the 2nd year, the following people were happy to remain on the Management Committee

* Steve Barratt – Chair
* Dominic Sale – Treasurer
* Ian Dugmore – Company Secretary
* Ingrid Goode – Deputy Chair
* Janet Coates – Training & Volunteer Processes
* Mike Brooman – Inventory and Electronic Point of Sale (ePos)
* Ray Keiff – Systems Management

(In year 3, the Committee will need to stand for re-election under Society rules)

Management Committee appointments

* Amanda Caulton, as Shop Manager, has joined the Committee
* Ingrid Goode had been appointed as Deputy Chairperson

Upcoming Vacancies

* With regret, Kathryn Stevenson is standing down as Book-keeper. However she has graciously agreed to continue with us until June 2023
* Angela Davies has stood down with immediate effect. However she remains available as a consultant with respect to seeking grants and loans
* The Committee has recognised the need for a person to undertake an Administrative Role. This person will provide clerical support for the day-to-day running of the shop, These duties will include recording volunteer rotas, undertaking weekly routines, and payment processes etc .The Shareholders present were invited to consider whether they or anybody they know would volunteer to stand for this vacancy
* We are also considering the need for a Committee member to take a strategic view of overall stock management (product ranges, quantities, and qualities etc), and to examine the choice and performance of our Suppliers

**Agenda Item 5: FY 2021-22 Financials Summary**

Turning to the Financial Account for the previous financial year, Steve presented a series of slides depicting the highlights of our Management accounts. These are shown below, together with a brief summary of salient points that arose in discussion with the members

Once approved, these accounts will be published on the Shop’s website, as last year

**5.1 TURNOVER**

This extract depicts summary Sales and Cost of Sales, with year on year comparisons. The variance in Sales was brought to the shareholders’ attention:

The 2021/22 Year to date (YTD) figure Turnover £140k, -£5.8k represents (-4%) from the prior year.(approximately 7k Shop sales, +£1.6k Café Sales

* This reduction was due in part to the closure of the shop & café were closed for part of September and October 2021)

Note that the total Cost of Sales Includes a £11k prior year stock adjustment

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It was also noted that the variance in Overheads is in part accounted for:

* A saving of £9k in Salaries from FY 20-21 (as promised in last year’s AGM).
* The Keyfund loan interest increased by £2k more in 2021/22 than in the previous year

 **5.2- CASH**

The total loan repayments to the Keyfund and Bounce Back loan accounts (totalling £14k) were offset by approximately ½ by donations, additional shares sold and fundraising activities (£6.5k).

However, it was noted that these Loan repayments resulted in £5.8k cash deficit. Without these loan repayments, our cash would result in a £14k increase or a resulting in a £15.5k bank asset on the Balance Sheet

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(Where COGS = total COS/Stock purchased throughout the year).

**5.3 - GROSS PROFIT**

The year-on-year reductions in Turnover and therefore Gross Profit is due in part to the variances shown as a result of the significant difference between the first and last stocktaking valuations

(It should be noted that, as a Non Profit organisation that was created on behalf of, and for our community, the treatment of profits (or losses) was widely discussed amongst the members

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**(Other Income and Profit after Tax)**

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**5.4 - ADMISTRATIVE COSTS**

The key variances in our administrative costs were noted in discussion as follows. Of note,

* The Bank overdraft and Loan account fixed interest repayments represent a significant cashflow burden
	+ The Committee continually examine the utilisation of those accounts given the appropriate charges in interest rates
	+ Refinancing and changes to the loan repayment schedule has been considered
	+ Energy costs, whilst not yet rising significantly in 2021.22 represent a worrying trend
* As already noted, the Staff salaries have been markedly reduced over this year

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**5.5 - BALANCE SHEET**

The following Balance Sheet extracts again highlight the significant impact year-on year to our Bank, Loan, Stock adjustment and Cash positions

**5.5.1 - ASSETS**

The effect of the revised stock valuation on the Balance sheet in 2021/22 is seen as a once off correction

We now conduct stocktaking every 3 months, and we have introduced reliable stock recording procedures and are using ePos till and Xero accounting systems in tandem

Our Fixed and current asset positions were discussed. Here, of note, the question of how should we fund new stock, given our current cash-in-hand position was raised

* By increasing our margins
* By passing on all cost of goods sold
* By changing or consolidating our supply chain

(The increase in the cost of milk from £1.50 to £1.95 in 3 increments over 3 months was cited as a prime example of the challenges we face)

The Committee is continually performing this balancing act between Suppliers’ costs, Customers’ buying habits, the competition in the market place, and Margins

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**5.5.2 - LIABILITIES**

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**5.5.3CAPITAL & RESERVES**

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**Agenda Item 6: Membership & Strategy**

The Shareholders were informed that 12 new Individual Members have joined since the previous AGM. These include 2 new Collective Members:

* Castle Bytham Parish Council.
* Little Bytham Parish Council.

The total value of shares sold in the year amounts to £6,120.

The Committee will continue with its strategy of selling ‘shares’ under the same prospectus. The sale of Interest-bearing or redeemable share options has been considered, but regarded as not yet being viable

**Agenda Item 7: Our Performance In-year**

**7.1 Day-to-Day Operations**

The Committee was pleased to outline progress and achievements this year

* Shop Managers. Amanda Caulton and Lisa Hill are now paid on a full time basis. Kirsty McLaughlin and Steve act as managers on a volunteer part-time basis.
* There were 19 active volunteers as at October 2021. As at October 2022, we now have 52 active volunteers, who are receiving regular training. Of those, 3 times the number of volunteers have achieved Level II Food Preparation Certification
* Volunteer training & engagement activities are now running as necessary throughout year
* We have engaged a new range of new local suppliers, including :
	+ Simpson Butchers
	+ Philip Pruden, Wine Merchant
	+ Bloomsbury Bakery
	+ Peacock Candles

We now also use a team of local cake-bakers, who deliver their produce on a weekly basis.

* New shop exterior and signage has been installed by popular acclaim
* The shop and café areas have improved layouts with new fixtures & fittings and wall furniture (prints etc.)
	+ The café seating space has also been increased to encourage more eat-in facilities
	+ We are exploring the introduction of artisan foods

**7.2 Stock Management:**

Regrettably, we valued our stock incorrectly recorded in September 2021. Our first stocktake in October 2021 was valued at £4,000. However, the balance sheet showed a stockholding value of £12,000.

* + This resulted in 2/3rd reduction in asset value, which in turn required us to rectified the accounts.
* The reason for this inaccuracy was caused by the ePos System not being used to record and track stock correctly. In mitigation::
	+ New procedures have been written written and trained; several months of testing.
	+ All volunteers now have individual logins for ePos.
* All of this has had a negative impact on our balance sheet yet we can now report that have taken appropriate corrective action. This unfortunate error meant that our inventory management procedures needed a full re-appraisal
* This has since given us renewed confidence in our current till and stock management
	+ Our revised reordering processes are working
	+ we can now rely on our forecasting & reporting activities.

(In October 2022 we undertook a latest stocktake to prove our process changes. This resulted in only a £50 variance between our systems & actual stockholding)

**7.3 EPos Data Analysis**

* **Productivity by Product stock**

By ensuring the system is used correctly, we can now

* ensure stock processes are clearly trained, understood & applied by all
* capture detailed product & sales and transaction data.
* use the systems to accurately report on primary source data for stock control & product ordering decisions.

The daily, monthly and on demand reports include analysis of:

* + the best & worst product sellers
	+ slow / low selling produce
	+ product margins
	+ product wastage / write-off / discounts
* **Productivity by Customer Sales**

ePos is also providing us with the ability to measure Customer throughput performance. Typically, this currently includes:

* the best sales hours / days / weeks
* The volume of sales & transaction by day / times of day

In turn this has enabled us to drive out better management decisions such as:

* The number of volunteers required at any one time
* When best to take deliveries from our Suppliers, and when to reorder stock
* Predict which food to cook in cafe

**Agenda Item 8: Our Plans**

We are actively working on a number of projects and ideas for the forthcoming year, in order to improve our Asset base, Cash flow forecasting, Customer awareness and footfall, Stockholding, and to simplify our processes. These Include

* The submission of a Lottery application for fixed; asset replacement It is intended to use these monies to buy / replace kitchen equipment, and to repair the shop flooring. .
* Other moves afoot for the forthcoming year include
	+ The re-introduction of Café Eat-in
	+ Ways of reducing debt and less reliance on our overdraft facilty.
	+ Re-examination of the KeyFunds Loan repayment schedule,
	+ Our ability to retain and grow as appropriate the number of volunteers.
	+ The further innovation of our product range.
	+ The better utilisation of the outdoor space
* Organising Community events to raise funds. We are currently formulating ideas for :
	+ The further innovation of our product range.
	+ The better utilisation of the outdoor space
	+ A Xmas Disco
	+ Coronation Weekend Events
	+ Quiz and Bingo Nights
	+ A Wine Tasting night

In conclusion, Steve summarised the place we now find ourselves in:

* We have established one unified, committed and credible team.
* We have capable, experienced and respected Shop Managers.
* A growing dedicated and capable set of volunteers has now been recruited .
* Our Systems are now being utilised and better understood.
* Training and processes are being actively applied and regularly reviewed.
* The Financials have stabilised, and we feel confident in the quality of data being recorded and reported.
* Donations have increased and fund-raising is succeeding.
* Store layout and stock management has been enhanced.
* We have balanced the consolidation our suppliers with the expansion of local produce.

In conclusion, the Committee are not resting on their laurels. There is still a lot more to do over the forthcoming year, but we are learning and growing in confidence

**Agenda Item9 - ANY OTHER BUSINESS**

Peter Hinton reiterated the need for fundraising that he had inherited from previous work on behalf of the Committee. He had made a number of enquiries, many of those to no avail, but was hopeful that we succeed with our Lottery application, since engagements with Grant provioners are becoming nor and more difficult.

He also re-iterated that it was always envisaged that it would take 3 -5 years for the Shop to break even. On that basis, we are on course to meet that aspiration, given the total repayment of outstanding loans

No more points being raised from the floor, Steve thanked everybody for their continuing support before he formally closed the meeting

**APPENDIX 1 – Other AGM Shareholders in attendance**

**Present**

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| Paul and Diane Floyd | Peter Hinton | Delay Holland-Jones |
| Kathryn Stevenson | Rod Morrow | Vicky and Ray Dennis |
| Sue Thomas | Malcolm Goode | Judy Willmott |
| James McLaren | Gavin Pye | Stephen and Della Mellows |
| Richard and Margaret Kent | Nick Holland-Jones | Penny and Barry Payne |
| Paul Bates | Louise and William Wilson |  |

**Apologies**

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| George and Ann Hayward | Sarah Gower | Alan Plumber (vote proxy for Dave Goode) |
| Diane Morrow | Ron and Beryl Hoyles | Rod and Jean Goss |
| Judy Machin | Dennis and Jane Bray | Andy and Jane Winnard |
| Helen and Mark Sismey-Durrant | Tina Widdess (vote proxy to the Chair), |  |

1. Note: As at the time of the publication of these minutes, JHA Accounting Freedom have been appointed as the new Accountants [↑](#footnote-ref-1)