MINUTES OF THE BYTHAMS COMMUNITY SHOP ANNUAL SHAREHOLDER MEETING

HELD ON 22 OCTOBER 2025 IN THE CASTLE BYTHAM VILLAGE HALL

Item 1. Introduction

The Management Committee Chairman, Mark Sismey-Durrant, opened the meeting with a warm tribute to the recently retired Chair, Steve Barratt. Steve had chaired the Committee from September 2021 until June 2025. During much of that time he worked the Sunday morning shifts in the shop, which gave him invaluable operational experience of the challenges and pressures there. He led the Committee with the unwavering strategy of growing the business to a sustainable level through a combination of increased turnover, grants and fundraising events; every decision was made with growth in mind. And many people would remember his singing and auctioneering skills. Steve had stepped down after putting in a commendable shift as Chaiman we are extremely grateful for his contribution.

Introducing himself as the new Chairman, Mark has lived in the Castle Bytham for 4 years and has a background of 48 years in the banking industry. He is the Chairman of a bank in London and has interests in a variety of other things including university charities. He does not intend to become deeply involved in the day-to-day operation of the shop but he hoped to bring his experience to bear on the future direction of the shop and the controls necessary for its success.

Before proceeding with the Agenda, the Chairman asked, to polite laughter, whether everyone had read the Plunkett publication on the Future of Rural Retail that had been e-mailed to Shareholders with the Minutes of the previous meeting and the Accounts. The Plunkett paper would provide a basis for the Cttee discussions on the future of the shop and would feature later in the meeting.

Item 2. Apologies and Minutes of the Previous Meeting

A list of attendees and those who had sent apologies appears at Annex A. Noone had nominated any proxies.

The draft minutes of the 2024 meeting had been sent to shareholders prior to the meeting. There had been no comments or issues raised before the meeting and no one present offered any comments. The Minutes were accepted as an accurate record of the meeting.

Item 3. Management Committee

In addition to Steve Barratt standing down from the Management Committee, Helen Lavelle had retired in Dec 2024 after almost 2 years of service as a member. Rachel Jerams had joined the Committee in December 2024 and Lindy Rudd joined a month later. This meant that the Committee now comprises Rachel, Lindy, Onj Jones, Ingrid Goode, Paul Bates, Dominic Sale as Treasurer, Ian as Company Secretary and Mark as Chairman. The latter 3 positions are significant in the governance of the shop because they are legal requirements and registered with the Financial Conduct Authority (FCA).

Notwithstanding the existing Committee establishment, there is at least one vacancy, particularly for anyone with technical expertise. An additional person, or two, would help with the rollout of subgroups within the Committee to spread the workload when issues arise or projects are undertaken.

Item 4. Membership and Membership Strategy

Under the shop's governance rules, one of the compulsory agenda items at the Annual Shareholder Meeting is the Membership Strategy. This Strategy remains unchanged from previous years. We want to encourage the widest possible share ownership so that as many people as possible support the shop and are able to vote on the management strategy and future direction of the shop. To this end, we are still selling the original £20 shares.

In the last Financial Year (FY), 5 shares were returned to the shop and 8 shares were bought. Current share ownership stands at 148 shareholders owning a total of 2,403 shares worth £48,060. It almost goes without saying that if anyone wishes to increase their shareholding buy shares for the first time, we will be delighted.

Item 5. Annual Accounts

The Accounts had been shared with Shareholders prior to the meeting. From them, it is clear that the trading performance is strong and growing.

At £36k, gross profit was up 16% on the previous year – a very good performance. Turnover was up 5% at £220k with the shop contributing £177k and the café £42k. This strong performance by the café underlines its importance to the business. The combined effects of inflation and overheads mean that the gross surplus (£63k) is slightly down on the previous year (£68k).

The interest earned on the high cash balance offsets to a degree the interest payments on the shop's remaining loans. The high cash balance does not mean the shop can discontinue fundraising. Fundraising will remain important for the foreseeable future as non-recurring grants drop out of the annual

income. For example, final instalment of the National Lottery grant has been received. This grant has been extremely useful but we have taken great care not to spend that money on ordinary running costs. Similarly, the shop was very grateful to the Summer Festival Committee for their grant which was used to buy the café's new coffee machine.

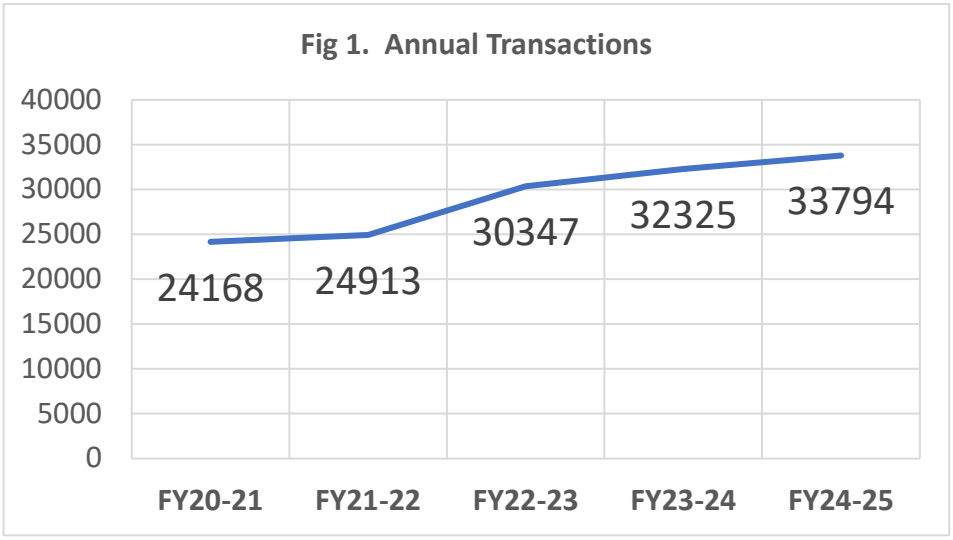
The SKDC lottery brought in £1,4k; we would need to sell around £4.2k of stock to generate that profit. Tickets for the lottery can be bought using this QR code:

The auction in 2024 raised £12.4k and was spent on replacing the floor in the shop. It is recognised that we can't put on events like that every year, not least because it would it would be unreasonable to bombard the local community with funding requests. That said, it was a very enjoyable event.

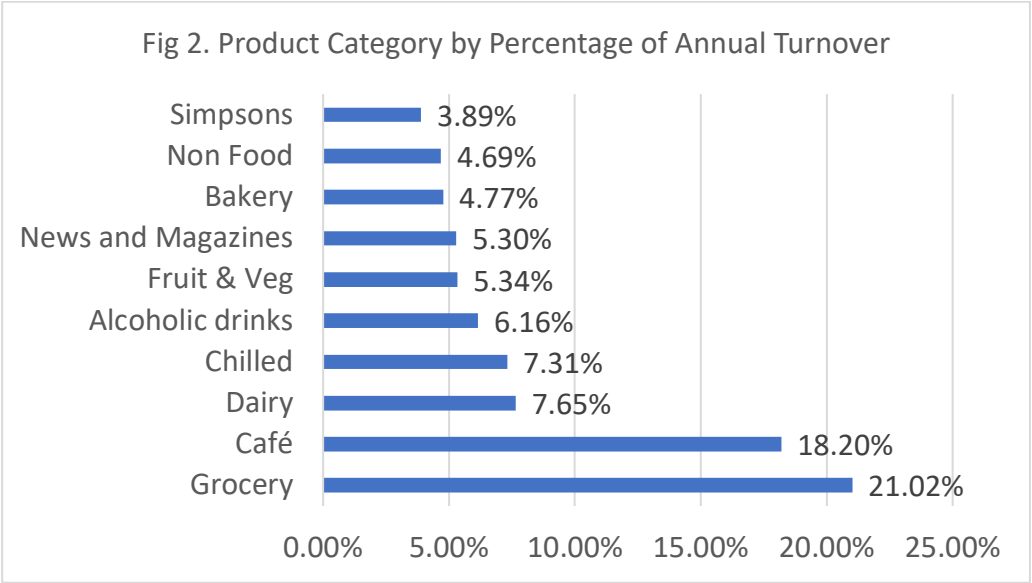
On the balance sheet an important milestone has been achieved: we have a positive net asset position i.e. our assets are greater than our liabilities. This should not be a surprise. Most startup businesses lose money initially while they build up turnover and activity to the levels that can make a profit. It is particularly satisfying that this happened on Steve's watch.

The shop's cash balance (£52k) needs to be put to good use by investing in the future of the shop rather than running the shop. There is still some debt but that will be repaid by the end of 2026. We are in a good position but sitting with a large pile of cash on the balance sheet and not put it to work in the business is not good business. So that is something we will be looking at very carefully.

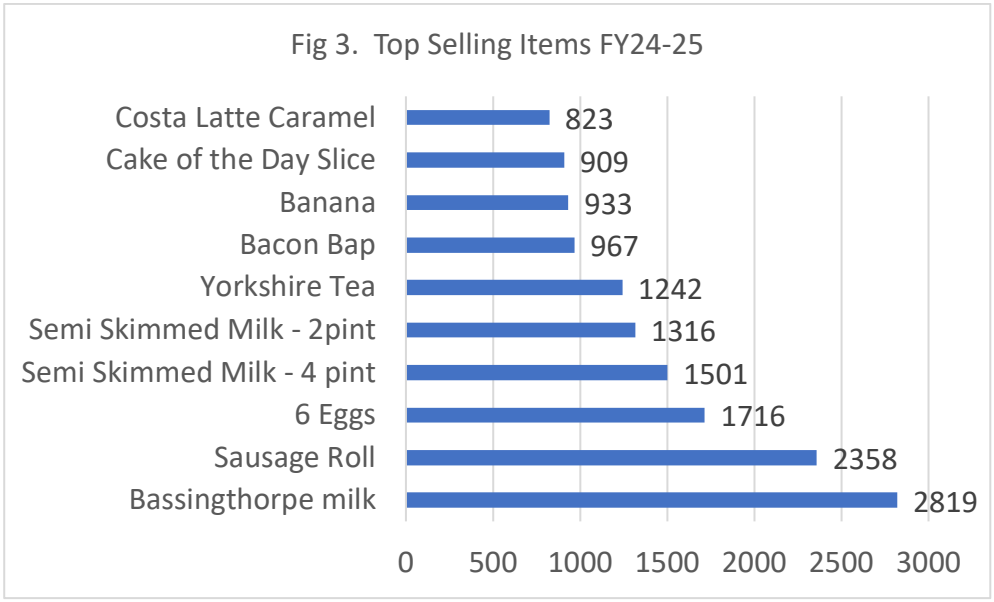
Last year there were 33,794 transactions in the shop – a fantastic result – but Figure 1 (below) shows it is getting harder to maintain growth in the space available in the building.



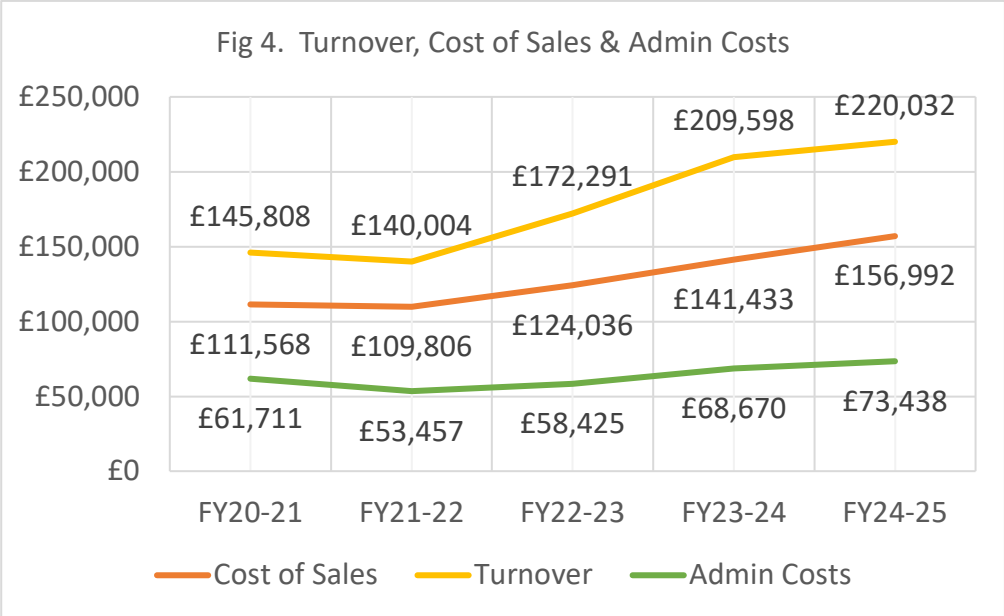
Looking at breakdown of turnover in product categories (Figure 2), it is clear how important the café is in contributing to the overall total.



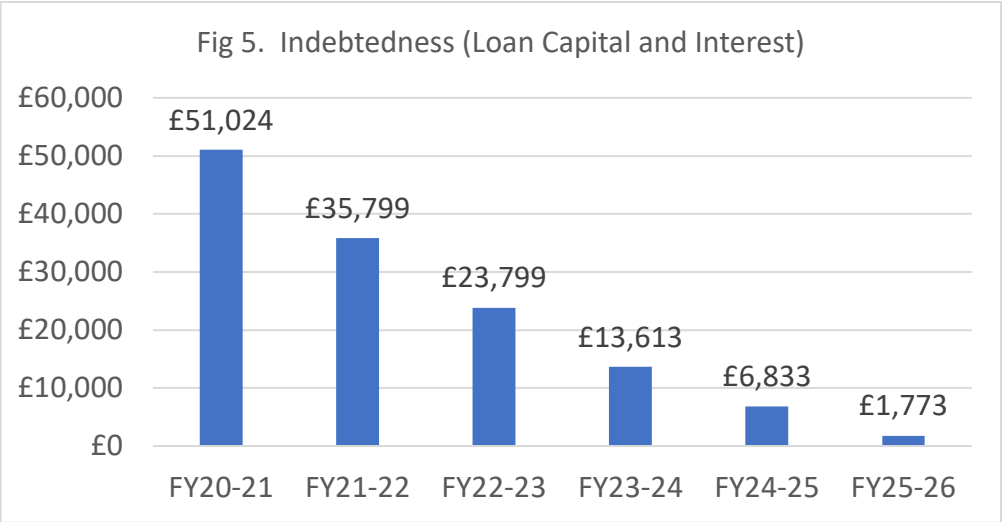
The best-selling items last year can be seen in Figure 3. If the sales of the different sizes and brands of milk are rolled up together, the importance of the shop in the local community is clear: i.e. the availability of daily essentials on the doorstep without the bother and expense of going into town.



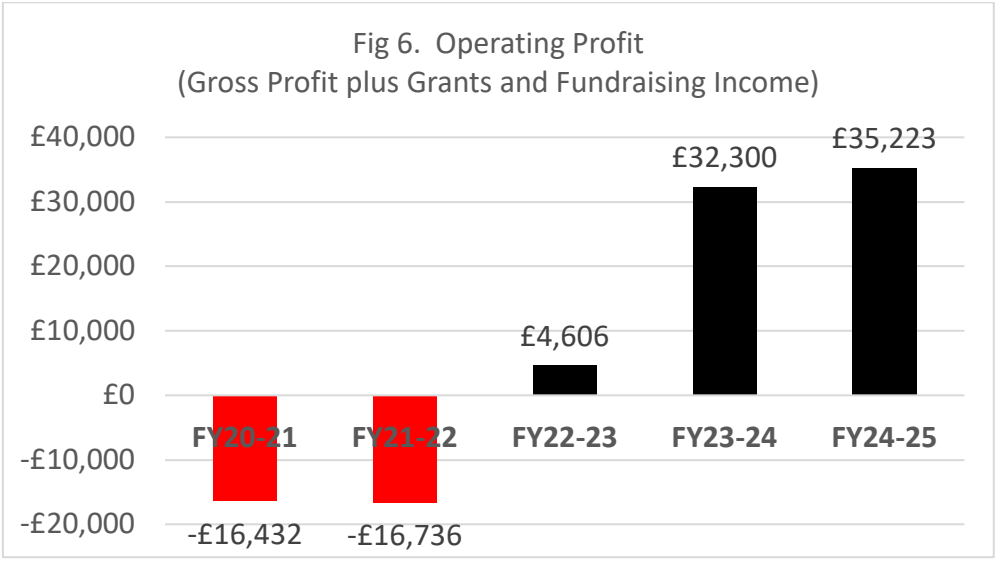
The key trend lines in the shop are shown in Figure 4. These show that we are right on the trading margin and without fundraising we wouldn't be profitable.



Fortunately, as mentioned previously, the shop is steadily paying off its debts (Figure 5) and will be completely clear by the end of 2026.



Anyone running any sort of business would be pleased to see the positive trend in operating profitability shown in Figure 6, particularly as it goes from start-up to a £35k profit.



Item 6. Performance in FY24-25

People are critical to success in the shop. In addition to 3 outstanding managers, there are 35 active volunteers including Duke of Edinburgh candidates. Importantly, 11 of our volunteers have qualified under food preparation standards. We need 26 to be able to do the job safely so although we have enough, more would be better and make it easier to manage. Almost inevitably, and despite volunteers enjoying working in the shop, people leave from time to time so it is essential to continually advertise the opportunities to people living in the local area and especially newcomers.

Item 7. Plans for our future

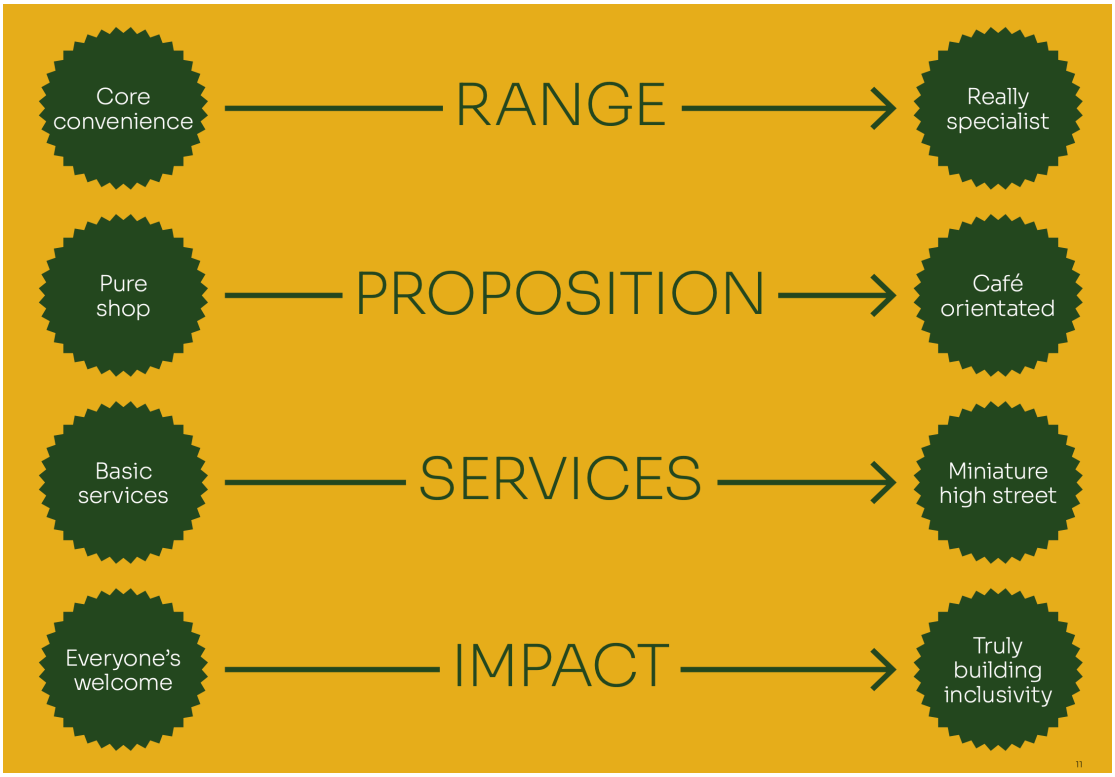
The Plunkett Foundation paper about The Future of Rural Retail was a timely guide and chimes well with our own analysis of our strengths, weaknesses, opportunities and threats that guides our thoughts on where we need to place our efforts.

The size and layout of the shop and café present both opportunities and constraints that we need to manage. The critical importance of maintaining an adequate volunteer pool is obvious but this summer demonstrated the vulnerability of a small management team to events. It is to their great credit that they pulled through in some stressful situations but we have to find a way to reduce this vulnerability.

All businesses would identify the importance of maximising turnover and minimising costs but it is critical for our shop and café operating on the margin. Maintaining a loyal customer base while attracting new customers is essential. Whatever we do and whatever decisions we make we must take our customers and community with us.

It is also going to be necessary to continue with non-core fundraising for funds to invest in the shop for growth and maintaining existing assets as they age.

The Plunkett report identified 4 metrics that are relevant for our shop and café in analysing our activity.



Looking at these metrics, there are 3 key considerations: consulting with the community, the availability of finance and the physical capacity of the premises. And the factors we shall be considering include:



Item 8. Resolution to waive the requirement for an auditor

Under the shop's governance rules, shareholders have the discretion to waive the requirement for an annual audit in favour of an unaudited financial statement prepared by our accountants. At last year's AGM shareholders approved a waiver for our FY23-24 accounts.

It was the committee's recommendation that shareholders agree again to waive the requirement for an audit for the current year's accounts in order to save money. In considering this recommendation, shareholders should be aware that, in addition to their own examination of the accounts, they are scrutinised by our accountants in preparing their statement and by the Financial Conduct Authority as part of our annual submission to that body.

The shareholders voted unanimously to waive the requirement for an audit.

Item 9. Any other business

Appreciation

Before inviting Shareholders and other members of the local community for their comments, the Chairman thanked a number of people for their efforts in making the shop a success. In addition to the managers and volunteers who are visible to customers, there are people behind the scenes whose contribution is equally important. Janet Coates does an outstanding job in organising the volunteers, Dave Goode is responsible for processing invoices, the bakers who produce delicious and far too tempting cakes that are so popular and, finally, the management committee members.

Increasing Turnover

In answer to a question about increasing turnover in a village with a limited population, there was no obvious solution; probably a variety of measures would be required. As the shop's reputation grows, it does attract people from outside the local area and the café is very popular with passing tradesmen and cyclists.

Extending the areas available for selling and for café seating are other challenges. The display of fruit and veg outside the front door is attractive and helpful in increasing the display area. A veranda could increase the area available there. Other possibilities include moving the bins from behind the shop to the north end of the carpark to enable an extension to be added. Also, covering the outside seating area with an awning would make the area useable in wet weather.

Taxes

The shop has been able to offset losses in previous years to avoid paying tax but last year was the final one for that option. That said, in the current FY there would be no income from the National Lottery Grant.

Car Park

The poor condition of the shop's car park was acknowledged as unattractive. There are plans to build an extended seating area in the car park and the paving blocks had been delivered. However, the material that is currently used to surface car park does not stand up to the wear and tear of vehicles turning. The solution is likely to be expensive and would require a grant.

Feedback

Comments, suggestions and feedback can all be left in the suggestions box in the shop but publicising the shop's email address could improve

communications to the Cttee and encourage more people to share their thoughts and ideas. The email address is info@bythams.shop

Ian Dugmore
Company Secretary
secretary@bythams.shop

Annex A

APPOLOGIES AND ATTENDANCE

Apologies were received from:

Sarah Gower
Sue Horton
Christopher Samler
Rod Morrow
Sarah Ford

Attendees:

Ray Dennis
Vicky Dennis
Hilary Bradley
Jocky Wilson
Louise Wilson
Diane Morrow
Sheena Harvey
Mark Hodge
Janet Coates
Sue Thomas
Judy Willmott
Malcolm Goode
Michael Brooman
Samantha Brooman
George Hayward
Ann Hayward
Sue Dugmore
Lesley Warnes
Sue Keiff
Ray Keiff
Julie Miller
Lisa Hill
Helen Sismey-Durrant
Richard Kent
Margaret Kent
Cathy Welham
Chris Welham
Della Mellows
Stephen Mellows
Pat Mclaren
Jamie Mclaren
Roselie Richards
Chris Jarvis
Linda Padmore
Sue Hinton Pete Hinton
Ingrid Goode
Andrea Jones
Dominic Sale
Paul Bates
Lindy Rudd
Rachel Jerams
Mark Sismey-Durrant
Ian Dugmore

46 Station Road, Castle Bytham, Grantham, Lincolnshire, NG33 4SJ
VAT No. 188 5941 49 Company Registered number 32400 R