

ILMINGTON COMMUNITY SHOP * CAFE

Ilmington Community Shop Limited (Register No: 32295R) Annual General Meeting 7.30pm 15th February 2018: Village Hall Ilmington

- 1.** Introduction to the format of the meeting: Tim Allen, Company Secretary
- 2.** Apologies for absence
- 3.** Minutes of last AGM – appended to this document
- 4.** To receive the Chairs Report for the trading year to 30th September 2017 and subsequent progress to date: Tim Allen
- 5.** To receive the Treasurers Report for the trading year to 30th September 2017 and projections for 2018 & 2019: Mark Dobson.
- 6.** To consider financial projections for the next two years: Mark Dobson & Tim Allen.
- 7.** To approve the Ilmington Community Shop Financial Statements to 30th September 2017 prepared by David Cadwallader and Co Ltd as the accountants retained by Ilmington Community Shop Limited: Mark Dobson.
- 8.** To consider and vote on the Management Committees recommendation that Ilmington Community Shop Limited does not require the appointment of an auditor: Mark Dobson.
- 9.** To receive a brief membership strategy, consider and vote on the strategy: Tim Allen.
- 10.** To elect the Management Committee for the coming year: Tim Allen as Company Secretary to facilitate.
- 11.** Any other business and close (we will close by 9.00pm at the latest).

Please note: the rules governing Ilmington Community Shop Limited, including requirements for the AGM, are available to any member: please ask at the Shop, request by telephone on 01608 682838 or email office@ilmingtonshop.co.uk



Chairs Report Ilmington Community Shop Limited

1. This report covers the formal accounting period from 1st October 2016 to 30th September 2017, and updates on progress and activity since 30th September 2017 to the 15th February 2018.

Summary

2. The most important issues, events and activities during this period have been:

- Sustaining growth in turnover and making a modest profit before depreciation (Mark will explain further).
- Benefactor loans have been reduced to £5,000.
- The first full year of trading in the café with an extended menu offer and increased turnover (for example, turnover in January 2018 was Approximately £1,000 up on January 2017).
- Stabilising shop and café staffing following agreement to recruit a café manager at the last (3rd) AGM, plus the employment of a part time café assistant to enable Tuesday opening.
- Volunteer Recruitment: we have recruited 8 new volunteers since October 2016, but lost some stalwarts too.
- Engaged 8 young people in working in the shop and café either through the Duke of Edinburgh scheme or simply in offering work experience.
- Further developing shop and café marketing for example through Facebook: the most popular posts typically reach 400+ people and one recent post reached 800 people, and – so far – achieving favourable ratings on Trip Advisor.
- Formalising staff procedures and contracts including sickness pay, grievance procedures and ensuring terms of employment are consistent for all staff and meet good practice requirements
- Sustaining a five-star award for the café for environmental health standards and requirements.
- Strengthening stock management processes.
- Implementing improved discounting and waste procedures and management.
- Contributing to Open Gardens in June 2017 by offering tea and cakes on Saturday.
- Featuring in the Channel 4 programme Village of the Year, Plunkett Foundation films aimed to help and encourage other similar community enterprises, a recent feature in the Stratford upon Avon Herald, plus various other media and programmes.
- Reviewing security and staff and volunteer safety in the light of recent robberies in local shops in South Warwickshire. We took advice from crime protection: our arrangements are generally appropriate and robust, but we will, for example, be installing some additional CCTV provision and tightening some arrangements to minimise any risk.



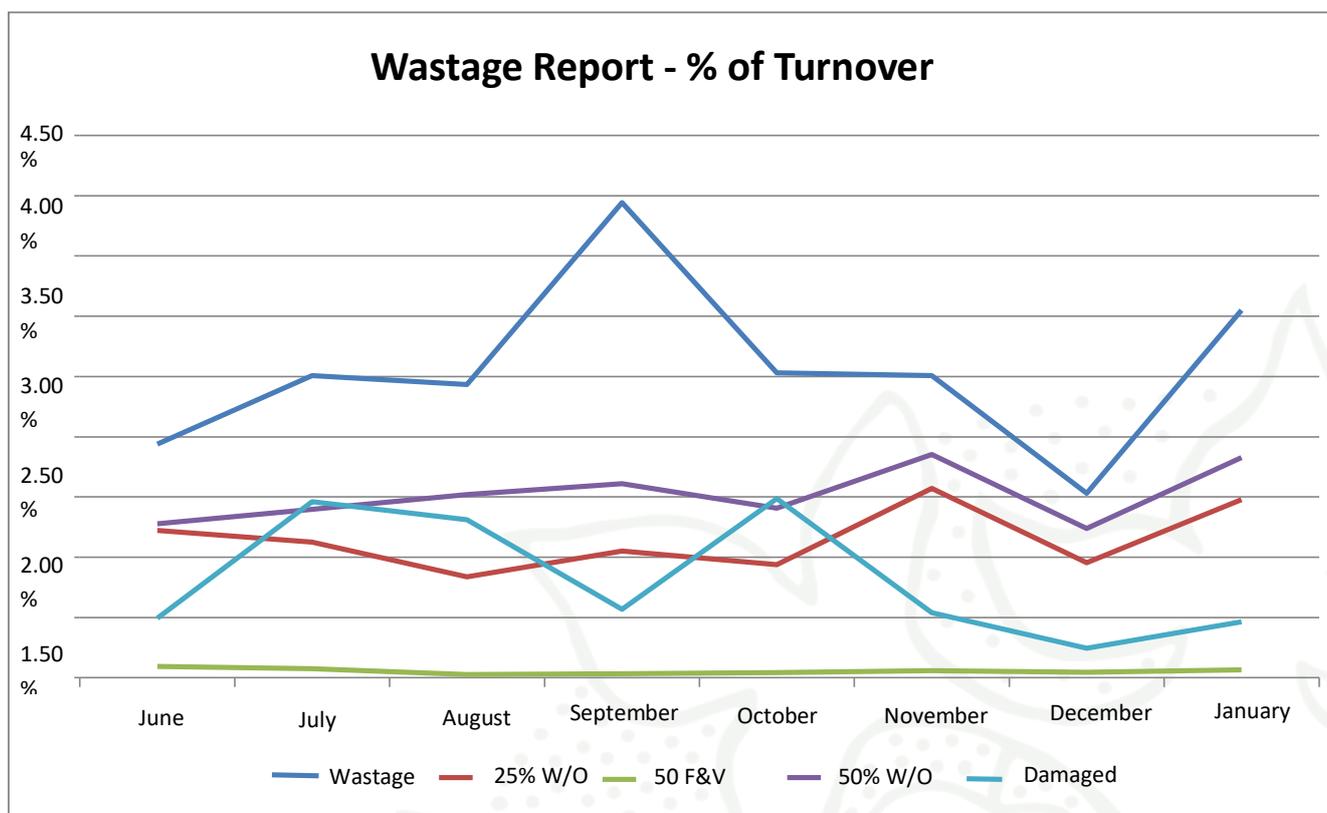
- Created a risk assessment framework as requested at the 2017 AGM
- A lightning strike that damaged the former church bell tower, and after member consultation, funded imminent repair work and the installation of a lightning rod from an insurance claim and kind donations from members and supporters,

Explanation

3. The Treasurers report provides more detail, however financially, the enterprise has sustained itself and is cash positive, after depreciation. The management committee is not complacent, and is keeping financial performance under close review given higher (but anticipated) staff costs to run the café, significant food price inflation, plus the full cost of depreciating the café building showing in the accounts.

4. Given the important role that careful stock management plays, and as a result of the annual stock take for 30th September 2017, we have taken further steps to ensure that we sustain an attractive range of products that people want to buy, whilst also ensuring that we don't over invest in stock that remains on the shelves for too long unsold.

5. Managing down waste is also important financially. After consulting and working with volunteers, we designed and implemented improved discounting and waste procedures with better monitoring to help reduce waste. In crude terms, the difference between 2% and 4% wastage is around £4,000 (with 2% amounting to approximately £4,000 and 4% approximately £8,000), and reducing to 1.5% takes the cost down to nearer £3,000. This remains an area for improvement as the following chart illustrates.



6. In last year's report, we recorded the pressures on staff, but also on the management committee, in opening the café whilst sustaining the shop. The pressures have shifted, but have not ebbed. For 2016 – 2017 and to date, the challenge is to ensure that we have a shop

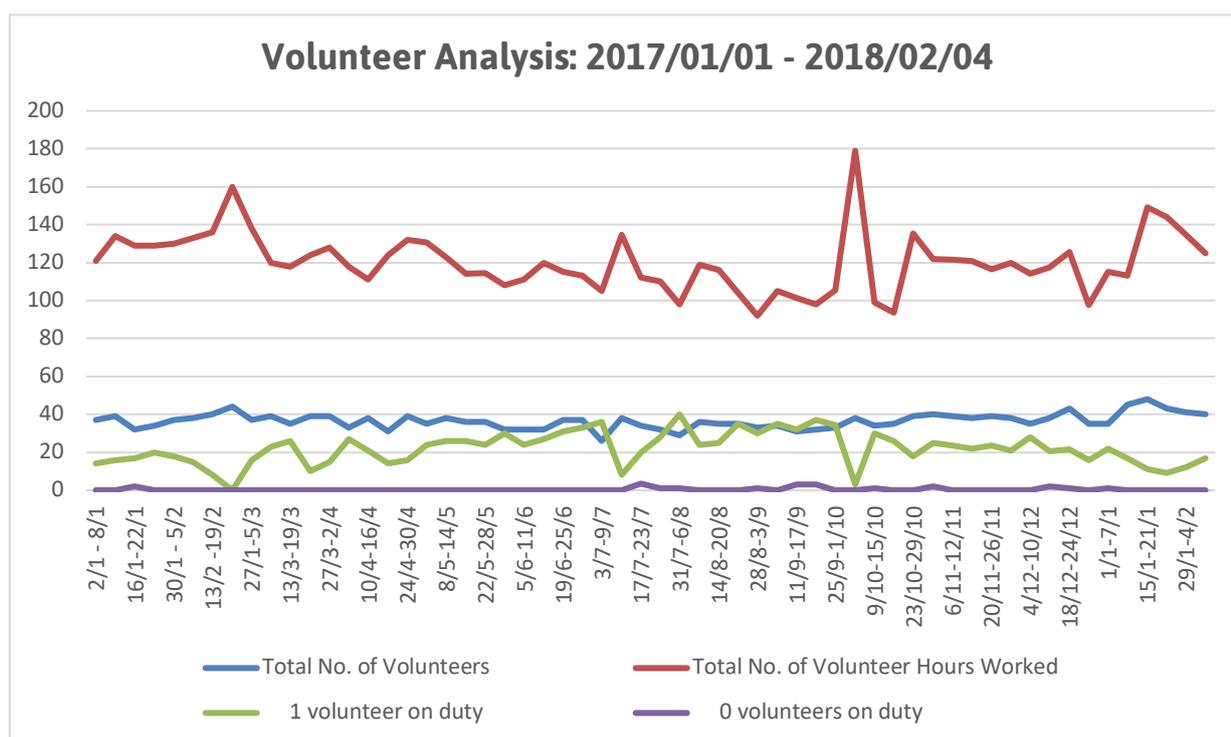


and café that offer the opening hours and service that customers and the community want, whilst also ensuring that we have the capability to deliver this with our staff working reasonable hours, and with our volunteer resource sufficient.

7. Typically, to ensure that Michele is working acceptable hours, 45 - 50% of shop opening hours must be operated by volunteers without Michele present. Over the accounting year, we have achieved this through sterling volunteer input and Michele's hard work, and – other than a few hours as a result of a lightning strike – the shop always opened as advertised. It is worth noting that for many of the hours that Michele isn't present, Jeanette provides management cover (for example Sundays and Thursdays), although café custom doesn't necessarily mean that she can actively help run the shop or be present at the shop till.

8. We have also established that most volunteers are not comfortable working the café without Jeanette (our café manager) present, or someone else in charge. On this basis, we have welcomed Hayleigh who now runs the café on Tuesday which is one of Jeanette's two days off. We have been asked why we cannot open the café 7 days a week or for longer hours: this need for a management presence isn't necessarily a limitation and we propose to review, but does mean that any increase in café hours needs at least a 100% return over the additional staff cost to be viable (as well as a revised planning permission if opening were to be outside shop opening hours). However, we propose to open the café on Sundays from 10.00am – 1.00pm rather than 9.30am – 12 mid-day given customer feedback and manager experience.

9. Despite success in recruiting new volunteers, the fact that peak hours in the café require additional volunteer support, and the inevitable fluctuations in volunteer availability week on week, month on month, mean that it is hard work to sustain sufficient and consistent volunteer cover. There is a cyclical element to this: holiday periods including late spring, summer and early autumn are particular pressure points. The chart below supports (within the limits of data accuracy) this cyclical pattern, but also shows that volunteer engagement was broadly stable over the last year.





10. As a result, and given security considerations following a recent spate of robberies in South Warwickshire plus the duty to ensure that volunteers (and staff) are not overwhelmed during busy periods, we are putting policies in place to ensure that where we do not have sufficient people on site, we will temporarily close the café and / or shop. We are blessed with a cadre of willing and able volunteers, but are also aware that the age range of volunteers is 15 – 80+ and we must not put them under undue pressure or put them at risk.

Looking Forward

11. Perhaps the most significant transformation over the reporting year is less immediately obvious. As a community, we started out in 2012 as a project to establish and create a community enterprise. The community achieved this. The focus then shifted to setting up and running a start-up business. This year, the enterprise has started the shift from start-up to a more mature enterprise that is sustainable for the long term, with systems and appropriate governance and management to support this objective.

12. This transformation has been a focus for management committee activity. A top priority is sustaining a viable, profitable enterprise. One key requirement is to ensure that the shop, café and grounds remain fresh and as enticing as they were when new. Given experience with other community shops and cafes, we are acutely conscious that it is easy to become blind to cumulative minor defects and wear and tear that can result in a stale presentation, or lapsed standards. As members, your help in bringing anything to our attention that you think should be addressed on this basis is welcome and necessary.

13. As a Committee we are therefore regrouping to ensure that the team that comprises our staff, committee and volunteers have a lead individual or sub group focussed on the key tasks and challenges identified in this report, and that we can respond to what is a constantly evolving context.

Acknowledgements

14. I record our thanks to our staff (Michele, Jeanette and Hayleigh) for all their effort and enthusiasm during this period, as well as to our volunteers and my fellow management committee members who truly got 'stuck in' to make it all work.

15. Beyond that, there are too many people by far to list individually and to thank, however we, your management committee, warmly thank all who have helped this venture in so many ways, including by volunteering in the shop and cafe, or through various other tasks that range from helping with site works, fund raising or making donations, offering specific skills for particular needs, baking cakes or making soup for the cafe, helping us keep the shop and café attractive and fresh looking, or simply helping us in making choices and decisions to name just a few.

And Finally

16. Many of you have asked when we will start repair work to the lightning damaged bell tower on the former church. Following a better than anticipated insurance settlement (£8,516.47), kind donations to the total of £10,000, and a majority in favour of repairing the tower and adding a lightning conductor, we have commissioned the necessary repair and installation of the conductor. The contractor is appointed for the repair work and the stone ordered. Work will start shortly after receipt of the necessary replacement stone.

Thank you



Tim Allen

Chair

Ilmington Community Shop Limited

Members will be invited to comment and ask questions, and then to vote to accept the Chairs report.





Treasurers Report

Ilmington Community Shop Limited

1. I am pleased to present my report on shop and café financial performance.

2. This has been a challenging year (October 2016 to September 2017) with:

- Trading cash positive with £10,645 in cash at year end.
- But, a trading loss of £19,968 after depreciation charges.
- The accounts show an allowance for the impact of the September 2017 lightning strike. Since the year end we received donations of £6,000 and a promise of a further £4,000 which alters the situation. We were assessed as under insured in terms of total demolition and replacement cost so insurance receipts were to be 72% of actual cost. In practice this was applied, but we unexpectedly received support for loss of profit so the final insurance company payment was £8,516.47 in December 2017.
- As required, the accounts for the year ending 30th September 2017 have been reviewed by accountants David Cadwallender & Co Limited to provide an independent opinion. You will see their report on page 2 of the Annual accounts

3. The table below summarises performance:

	2017 £s	2016 £s	Variance	Explanation
Turnover	248,755	213,745	£35,010	Increase in the cafe turnover £27,122, Shop £7,888
Gross Profit	67,970	56,461	£11,509	Gross profit increased during the year, however not as much as forecast
	27.3%	26.4%	0.9%	
Overheads				
Salaries	41,310	22,560	(18,750)	Employment of a full time Cafe Manager and temporary staff until they were employed
Depreciation	23,433	14,344	(9,089)	First full year charge following opening of the cafe in May 2016
Tower repair	4,062		(4,062)	Anticipated costs of under insurance and building surveyors cost
Other Costs	19,133	17,153	(1,980)	
Total Overheads	87,938	54,057	(33,881)	
Net Profit/(loss)	(19,968)	2,404	(22,372)	

2018 / 2019 Outlook



4. The current year has started well with turnover to the end of December at £66,580 an increase of 9% on last year and 4% against the 2017 forecast.

5. The table below sets out our projections for the year October 2017 – September 2018 and October 2018 – September 2019

	2017 £s	2018 £s		2019 £s	
Turnover					
Shop	208,947	217,305	+4%	226,000	+4%
Cafe	39,808	44,000	+10%	50,000	+14%
Total	248,755	261,305	+5%	276,000	
Gross Profit	67,970	74,211		79,000	
	27.3%	28.4%		28.6%	
Overheads					
Salaries	41,310	51,804		53,000	
Depreciation	23,433	23,292		24,000	
Tower repair	4,062				
Other Costs	19,133	18,490		18,000	
Total Overheads	87,938	93,586		95,000	
Net Profit/ (loss)	(19,968)	(19,375)		(16,000)	

Mark Dobson

Treasurer

Ilmington Community Shop Limited

Members are invited to:

- Consider and discuss the report and forecasts.
- Accept the Annual Accounts.
- Consider and vote on the Management Committees recommendation that Ilmington Community Shop Limited does not require the appointment of an auditor.



Member Strategy

1. The Society is a member owned organization to provide benefits for the community. Members:

- Have a direct interest in the running and success of the enterprise.
- Have a say in the overall direction of the business.
- Provide a pool of people to draw on for running the Management Committee, and for volunteering to help run the business.

2. Our Society Rules require a membership strategy to ensure 'membership' is at the heart of the enterprise, to grow membership, and engage with members. Our Strategy is as follows

- **Community:** during the reporting period we engaged with the community through volunteer events, email, 20/20 communications, and social media (particularly Facebook).
- We also have a membership newsletter circulation.
- **Sustaining and developing membership:** the second AGM in April 2016 sanctioned the Committee to permanently open to new Members from June 2016 to ensure that as people move in and out of the village, or use the shop and café, that they can join as and when they would like to, with no 'application window'. Arrangements are in place, and we modestly increased membership via this route by 7 bringing our total to 400 (subject to validation given bereavements since October 2016).
- **Formal Member communications:** formal communications, for example AGM and Management Committee documents are available to Members in the shop on request and in the latter case (AGM documents) on the website: <http://www.ilmingtonshop.co.uk>.
- **Volunteering:** we have a strong group of volunteers and are constantly aware that we need effective communication and support: for example, we held a volunteer feedback event in October 2017. We will also continue to actively recruit volunteers and encourage volunteers to 'do' a regular slot because this helps or managers and reduces the amount of their time dedicated to ensuring we have sufficient people on hand in the shop and café.

Tim Allen

Company Secretary

Ilmington Community Shop Limited

Members will be invited to ask questions and offer views, and then to endorse this broad strategy.



Management Committee Membership

1. Jane Neate (who continues to volunteer) has resigned from the committee, and Liz Morris is taking a sabbatical. We thank both for all their hard work and input.

2. As a result the current Management Committee and new nominations is as set out in the following table:

Name	Term Start Date	Term End Date	Nomination	Start Date if Appointed	End date if Appointed
Tim Allen (Chair / Company Secretary)	2015	2018	Yes	2018	2021
Mark Dobson (Treasurer)	2016	2019	N/A	N/A	N/A
Nicky Schlatter (Vice Chair)	2016	2019	N/A	N/A	N/A
Lee Bridges	2017	2020	N/A	N/A	N/A
Angie Dobson	2017	2020	N/A	N/A	N/A
Claire Simmons	Co-opted 2017	2018	Yes	2018	2019
New Nominations					

3. Members attending the AGM will have an explanation of the process to ensure clarity, but Members are asked to note the following:

- i. That the AGM is quorate if 41 Members or more (including the current Management Committee) are in attendance.



- ii. That voting is on the basis of one member one vote.
- iii. That voting will be by a show of hands at the AGM.
- iv. That members unable to attend the AGM may either nominate another member or the Company Secretary who can vote at the meeting on their behalf by proxy, subject to their informing the Company Secretary by 6.00pm on Thursday 15th February 2017, providing their name, and either the name of the member attending who is to vote as proxy, or naming the Company Secretary in this capacity.
- v. Members voting as a proxy will be asked to identify themselves to the Company Secretary before the formal AGM proceedings start.
- vi. All members may nominate another Member (or themselves) to be on the Management Committee by completing the proforma below. In all cases, the nominee must have other Members to propose and second them. Nominations must be received either by email (t.d.allen@btinternet.com), at the Shop, or to the Hayloft, Front Street, Ilmington, Shipston-on-Stour, Warwickshire CV36 4LA by 6.00pm on Thursday 15th February 2017.
- vii. Society Rules allow for a minimum of 4 management committee members and a maximum of 10, however, please see the current Management Committees recommendation below.

4. The Current management committee:

- Mark Dobson, Nicky Schlatter, Lee Bridges and Angie Dobson will continue following election at either the 2015 or 2016 AGM, so are not up for election this year: they are willing to continue on the Committee.
- Remaining committee members (Tim Allen and Claire Simmons) are either up for election this year, or are currently co-opted and therefore need to be formally considered and voted for as members of the Management Committee. All are willing to stand.
- Members will be advised of all nominations at the meeting, both those from the current management committee and any additional nominees.

5. The voting will therefore be as follows:

- i. Members will then be asked if they are happy to vote for Claire Simmons, Tim Allen & ??? en bloc: if not
- ii. Members will be asked to vote for all nominees individually including current management committee nominees.



- iii. Should the total number of exceed 10, those attracting the most votes by show of hands up to the agreed maximum number of Committee members (10) will be elected.

Timothy Allen

Company Secretary

Ilmington Community Shop Limited





Invitation to Propose Membership of the Ilmington Community Shop Ltd Management Committee: Nomination Form

1. The Management Committee works in a collaborative and friendly way and we welcome potential additional members to stand at the AGM for election. The maximum number of people who can comprise the Committee is 10.

2. Any Member (i.e. shareholder) of Ilmington Community Shop Limited can stand for election as a Committee Member. So if you, or anyone you know is willing to stand, please fill in the simple form below and send to Tim Allen, Company Secretary, either by email at t.d.allen@btinternet.com or by hard copy delivered to The Hayloft, Front Street, Ilmington, CV36 4LA, by 6.00pm Thursday 15th February 2018. If you would like to discuss a potential nomination, please speak to Tim on 01608 682646 or email t.d.allen@btinternet.com . Proposers and seconders need to be Members of the Society

Name of Nominee	Proposer	Secunder

Signature and Address of Nominee

Signature and Address of Proposer (can be the Nominee)

Signature and Address of Secunder



Ilmington Community Shop Limited **(Register No: 32295R)**

Registered Office: The Dower House, Back Street, Ilmington,
Shipston-on-Stour, Warwickshire, CV36 4LJ

Minutes of Third Annual General Meeting

Ilmington Village Hall: 18th February 2.00pm.

(Covering the Trading Year October 1st 2015 to 30th September 2016)

1. Apologies: Martin Taylor, Chris Goble, Sheila Ribbans, Debbie Sarjant, Lee & Joyce Bridges

2. Introduction & Chairs Report

2.1. Tim Allen introduced the format for the meeting and confirmed that the AGM was quorate with 44 attendees including Committee members (minimum = 39).

2.2. Tim gave a presentation explaining progress and challenges for the reporting year, and offered thoughts on progress from October 2016 to February 2017: the presentation is on the shop and café website (along with these minutes), and available on request to anyone who would like paper copy.

2.3. Tim finished by thanking the many people too numerous to name individually, who have helped this venture in so many ways

Questions & Vote:

- Members voted unanimously to accept the Chairs report for the year 1st October 2015 to 30th September 2016.
- Members then had the opportunity to ask questions or to comment on progress post 30th September 2016.

2.4. Questions were about:

- The recruitment of an apprentice: what experience/support will person receive? Tim explained that supervision is run by government funded organisation, with formal certification on completion of course, but that our responsibility is to offer hands on training, how to run café etc.

3. Treasurer Report to 30th September 2016

3.1. Mark Dobson gave a presentation to explain financial performance for the reporting year: the presentation is on the shop and café website, and available on request to anyone who would like paper copy.

Questions & Vote

3.2. Members:

- Approved the Accounts for the year ending 30th September 2016; and



- Agreed that independent audit is unnecessary given that our accountants (David Cadwallander & Co Limited) provided 'opinion' on the accounts.

3.3. Questions were about:

- Confirming the value of outstanding benefactor loans: Mark confirmed that these were £15k.
- Banking with the Co-op: is this ok [given recent media coverage about challenges for the bank]. Mark confirmed that at this stage, there is an expectation that bank will be purchased, although we will keep the situation under review and if need be, consider changing. Sarah Tremellen (founding Chair) explained the original challenges when opening bank account: the Co-op was the most viable and sympathetic to a start-up community owned enterprise, other high street banks weren't really interested.
- 2015 turnover: £77K (but not a full trading year, and with no café)

4. **Motion: Changes to Shop and Café Staffing**

4.1. The Management Committee offered a presentation proposing to recruit staff up to one full time member (either a single person or a combination of people) in addition to an apprentice, primarily to run the café. Details of the presentation are on the shop website and paper copy is available on request. In particular, the Management Committee emphasised the implications of the motion which are that:

- Recruiting a full time equivalent person/s will substantively limit if not negate any ability of the shop and café to contribute to good causes in the Parish for at least the next few years (our rules allow this contribution within the Parish of Ilmington); and
- Such a decision is likely to constrain if not negate Management Committee discretion to sanction any repayment of investment made by Members through the two (2014 & 2016) share offers for the foreseeable future: our rules give the Management Committee discretion to make such repayments after five years provided that the business is not prejudiced.

4.2. After extensive discussion and exploration of the implications, members unanimously agreed the motion.

5. **Member Strategy**

5.1. Tim Allen presented a strategy which was to continue to improve communications, continue to be open to new members, ensure that AGM documents are on the website shop and café (<http://www.ilmingtonshop.co.uk>) and engage with our volunteers, support them and encourage new volunteers.

5.2. Members endorsed the strategy

6. **Management Committee Membership**



6.1. Tim Allen noted that he conducted this as Company Secretary (not as Chair), and that no additional nominations were received beyond the current management committee nominations; so

- Members were asked if they are happy to vote for Liz Morris (to 2019), Lee Bridges and Angie Dobson (to 2020) and Michele Hall (to 2018).

6.2. Members:

- Agreed to vote on block; and
- Elected all nominees on the basis proposed.

7. **Any other Business?**

7.1. A question arose about how to encourage members of the community not currently using the shop/café to do so. The Committee responded that:

- Any member of the community who wants to start to use what is their shop and café is very welcome.
- We offer a lift service.
- We are intensifying marketing to encourage people.
- Our local customer base seems to embrace a wide spectrum across of our community and is not confined to any specific geographic locality of element of the community.
- We welcome any and all feedback on whether we offer products or services that meet people's needs and therefore on what might entice more members of our community to use the shop and café; but
- Ultimately using the shop and café is a personal choice.

Tim Allen

Company Secretary

Ilmington Community Shop Limited

Tel: 01608 682646

Mobile; 07813 799131

Email: t.d.allen@btinternet.com