

Minutes of the Seventh Annual Members' Meeting of the Chalke Valley Community Hub Ltd held on 22 September 2021 at 7.30pm

16 shareholding members attended.

The Chairman, Derek Brown, welcomed everyone to the 7th Annual Members' Meeting.

1. **Apologies** were received from: E Jolly, A Allen, K Mills, C Long, M Tomkies, D Jeans, A Jeans, J Hillary, C Pilkington, S Thornton, V Thornton, R Sykes, R Jones, A Truluck, C Dutson and M Scott.

2. **A quorum** was declared.

3. **The Minutes of the Sixth Annual Members' Meeting** held on 21 March 2019 were accepted as being correct after a proposal by K Whitmore, seconded by W Hillary and carried unanimously.

4. **The Society Accounts for the year ending 30 September 2020** had been tabled and were presented by the Treasurer, Linda Walton.

Linda started by expressing her delight in being able to undertake the meeting in person and how important the Village Hub has been to the community during the last 18 months or so.

She extended thanks to the staff and volunteers for their efforts during the last couple of years, through disruption and change, and to Liz Brown, our bookkeeper for her diligent work.

The value of a community shop during a pandemic was amply illustrated. The shop had not had to close once; through Tony's efforts and despite shortages elsewhere, our shelves were well stocked; covid protocols were introduced to protect everyone, staff and community alike; everyone came together to ensure the best service could be provided both within the shop where there was anxiety in the early days about both contracting and spreading the virus. The wider community came together to provide a delivery service to the vulnerable and those shielding. We had 30 volunteers involved, many of whom were working from home or on furlough, doing the deliveries which in the beginning were daily. Honourable mention to management committee member and volunteer, Rachel Sykes. Wheat from her farm was milled and bagged locally to ensure flour supplies at a time when it was absent from supermarket shelves.

A new EPOS (electronic point of sale) system was installed a year ago and now provides a facility which is fit for purpose for our needs. While there were some initial teething troubles, these were rectified. We have a perpetual stock inventory and the ability to order online through our biggest suppliers, Bookers and Bestway. The EPOS works directly with our accounting systems allowing direct reporting to our accountants and to HMRC under its MTD (making tax digital) initiative.

Linda was very pleased to report an increase in the gross profit margin from 22.6% to 23.6%, which has been due, in the main, to better stock control and better buying. This is so critical to our operations especially as, since our last AMM, the coffee shop had been closed for the bulk of that time and, when it could open, was subject to covid restricted operations. The coffee shops contribution therefore has been nominal. In normal circumstances it operates at a much higher gross margin to make our overall enterprise viable.

Grants have been identified and secured. For the year ended September 2020, from the Government £10k business support and £4487 furlough, from the Wiltshire Community Fund £756 as a contribution towards the EPOS system. So far this year, there has been a further £22.6k business support, £3.7k furlough and from the European Research Development Fund £3k towards our new coffee machine.

Cost savings continue to be examined. Linda reported she had become aware of the 'Peterhead Principle', which allows for claiming expenditure on notional expenses. In our case, it allows us to include unpaid volunteer hours to offset any profit we may make in the future. We have asked our accountants to submit a retrospective claim for previous tax paid, £1.7 k 2017, and £2k 2015/16. We will be asking members to vote later in this meeting to not have an audit undertaken which will save c. £1.7k.

Our cash management has been good ensuring that our Nationwide Savings account of £80k remains untouched.

To illustrate the Hub's financial achievements, Linda presented a series of slides covering Sales, the Profit and Loss and the Balance Sheet.

Shop sales for the year increased by 16% peaking during lockdown. Unfortunately, and as mentioned earlier, coffee shop sales fell by 56%. With its gross margin usually over 50%, its contribution has been negligible.

In the profit and loss assessment, it emphasised the importance of maintaining margins and managing costs. With the covid affected operations, the Government and other external funding has helped us to survive.

The Hub has assets of £146.9k, net £113k after liabilities. Share capital is at £48.3k with reserves of £64.7k. The book value of our fixed assets is now low having been depreciated during the last few years and showing they are near the end of their useful economic life. There will be the need to invest in the Hub to future proof it.

In summary, going forward it will be tough and not plain sailing. It is important to maintain high margins in the shop and coffee shop to ensure that we are a sustainable enterprise. In addition to what we generate through normal trading, there will be opportunities for further grant funding but to secure this we need to demonstrate that we are a profitable going concern.

With over £113k of members' funds, we are in a healthy position but there are challenging times coming up.

Questions were invited from the floor. Tom Hitchings asked how much have grants bolstered results and, as such are we viable? Linda responded by confirming that the external support, Government and others, has ensured our ability to keep going and maintain a good service throughout the difficult times. There is a need to have both parts of the business, shop and coffee shop, fully operational. This, together with margin and cost management will ensure we will be viable. Terry Jolly added that the original model for the Hub required these elements but also a good level of volunteer support too and it is important that we grow this aspect.

5. The Management Committee Report

The Chairman, Derek Brown, flagged the formal report in the Accounts, which relates in more detail the challenges faced by us all during 2020 and 2021.

As this was the first public opportunity to do so, he acknowledged the many people who have served the Hub in the past and who have, since the last AMM in 2019, retired from their posts. Sincere thanks were extended to Will Hillary, John Lace, Andrew Boys and Nigel Tinkler, former Management Committee holders, and Judith Sampson and Sarah Wilson, former staff members. Will and John having been chairman and vice chairman respectively. Judith has since returned as a volunteer.

Derek paid tribute to our Manager, Tony Patel, and to our Team Leaders, Kate, Dawn, Nicki and Jayne, together with our volunteers, who assured that the shop and coffee shop continued to offer a service to

the people of our communities. Thanks also to our postmaster, Ed Rigg, and his team to ensure that this vital service has continued throughout.

Particular mention was made of Linda Walton for her determined actions in obtaining several Government and Local Authority grants available to businesses such as ours. These have contributed towards ensuring that we have survived the shocks of the Pandemic and that we have remained on a sound footing.

He stated that it is important to record that without volunteers this enterprise cannot operate.

To enable us to service the expressed needs of the communities properly, we have an urgent need for more volunteers. We cannot currently open the shop for the additional hours, as has been requested, without more people to serve the customers. We exhort all who could help us, to come forward. We are a business for the communities, and we will only grow with the help of the people who live in them.

In the meantime, we are pleased to report that the current trading is good with better margins from careful and astute purchasing and without increasing prices, and with the coffee shop fully open and trading successfully, contributing vital turnover to the whole business.

We deeply regret to report that, in spite of determined efforts to obtain a new lease from the URC, which expired some 18 months ago, we have not yet been successful in engaging our landlord's attention to the matter.

Our legal advisors have confirmed that as we continue to pay the rents agreed in the existing, but expired, lease we are legally able to continue operating our business. Our grateful thanks go to Wilsons, solicitors, for their pro bono efforts on our behalf.

We will continue in our efforts to resolve this matter, as without the security of a new lease, we cannot invest in any significant changes to the space or in new equipment.

Finally, Derek extended his personal thanks to the Committee for the invaluable sound advice and support given to him since becoming Chairman in March of last year.

6. Appointment of Independent Accountants

The service being provided by Clifford Fry & Co continues to be good, as is the working relationship between us, and they have an acknowledged expertise in supporting the 'not for profit' sector.

The motion to appoint Clifford Fry & Co was proposed by L Walton, seconded by M Roe and was carried unanimously.

7. To disapply Section 83 of the Co-operative and Community Benefit Societies Act 2014 (duty to appoint auditors) for the Chalke Valley Community Hub Limited

Linda Walton outlined a change we wish to implement for this year. Traditionally, we have sought to have our accounts audited. Much of the work undertaken during the audit process is done by us and as such the cost to include an audit is approximately £1.5k more. Under the requirements of the Financial Conduct Authority, if we do not seek an audit, we will need our accountants to provide a report on the accounts and balance sheet which will be part of the final accounts document. Only suitably qualified accountants may undertake this. Terry Jolly confirmed that Clifford Fry & Co do fall into this category. He also stressed that the authority 'not to audit' is only in place for a year and will need to be considered and voted upon again at our next Annual Members' Meeting.

The motion to disapply Section 83 of the Act was proposed by Linda Walton, seconded by Michael Roe and was carried unanimously.

8.Elections to the Management Committee

Linda Walton, Hilary Brown, Rachel Sykes and Hugh Pelly retired by rotation. Both Linda and Rachel were willing to stand for re-election. Due to other commitments and having been involved since the beginning Hilary and Hugh stood down. Derek expressed his sincere thanks from all for their very valuable contributions to the government of the Hub.

Antonia Allen, Claire Donne and Julian Thomas were willing to stand for election, with Antonia and Claire as village representatives for Broad Chalke and Ebbesbourne Wake respectively, and Julian as Treasurer. Following proposals from T Hitchings and seconded by R Collins and there being no other previous nominations, all nominees were voted in unanimously.

9. Any other business and points raised by members from the floor

No questions had been put to the Society Secretary prior to the meeting.

With there being no further questions from the floor, the meeting closed at 8.30pm after which refreshments were provided.