

Clapham Community Shop Ltd

Minutes of the Annual General Meeting

Held on Wednesday 4th July 2018 at 6.30pm in Clapham Village Hall

Attendees:

The meeting was attended by:

Sheila Alderson, Peter Alderson, Elga Balmford, Chrissie Bell, Ged Benn, Chris Benn, Val Braithwaite, Eddie Braithwaite, Jill Buckler, Lynda Christian, Iain Crossley, Marilyn Galpin, Jill Gates, Chris Hart, Tricia Hibbert, John Hibbert, James Innerdale, Wendy Jennings, Sue Mann, Sue Manson, Barbara Marshall, Stuart Marshall, John Norris, Ann Norris, Isobel Palmer, Angela Peach, Simon Peach, Howard Pelling, Eileen Plumridge, Ann Stewart, Ruth Tonkin, Liz Walton, Ron Wilson, Denise Wilson, Barbara Yates.

Apologies:

Apologies were received from:

John Elphinstone, Diane Elphinstone, Nick Burton, Jean Burton, Ann Gerner, David Kingsley, Jackie Kingsley, Nigel Hoff, Ruth Turner, Jim Butterworth, Sue Butterworth, Ann Sheridan, George Sheridan, John Eaton, Mary Jeffries, Tony Jeffries, Norman Stride, Susan Stride, Don Gamble, John Dawson, Judith Dawson, Maggie McSherry, Kevin McSherry, Gus Stewart, Brian Rycroft, Chris HoRsewill, Tony Horsewill, Jessica Hart, Philip Farrer, Maria Farrer, Chloe Crossley.

The minutes of the Annual General Meeting 2017:

These were agreed to be an accurate record.

Proposed by: Ron Wilson Seconded by: Eileen Plumridge.

Matters arising from the minutes:

There were no matters arising from previous minutes.

Chair's report – Sue Mann:

Sue welcomed everyone to the Annual General Meeting of *our* shop. It has been a busy year and over the course of the year the shop has been able to celebrate being open for three years. I don't think that, in those early days, those who were involved in all the spadework were ever able to dare to think that we might reach this day. However, one thing they did know was that the long term survival rate for community shops is 95% at a time when approximately 400 commercially run village shops close every year. So, perhaps that's why they had such a lot of faith and why we are all here now.

So, what has happened over the year? Helen will tell you more about the day to day operating issues and Jill will talk you through the finances but on both fronts I will simply say that it has been satisfactory. There have been challenges but we do seem to have got through them and, wherever there has been a challenge we have learnt from it.

The major reason why any community shop is successful is always down to the people who work in it. As you know we have over 40 volunteers who are performing a wide variety of roles which some of them are probably very surprised to find themselves in! Those of you who have seen the excellent film made by Liz Walton and Sue Manson (on the website) will be aware of the fact that volunteers are usually the first in in the morning and among the last to leave at night. Every shift has a volunteer on and there are many other roles which they fulfil ranging which you all know about. The result of this is that Jill has re-calculated the financial contribution made by our volunteers as being £41,000 based upon the hours worked and the national living wage. That is a huge contribution and illustrates how difficult it is for a commercially run business to survive. Keeping the volunteer workforce going is a challenge for any organisation and this is something which we have been looking at. We are aware that our profile is older and getting older and we need to be aware of that. However, it has been excellent to welcome four new volunteers this year and we look forward to having more new recruits in the future. I honestly believe that volunteering is good for your health. It gets you out, you meet people, generally have fun – what's not to like!

From the earliest days we decided that, although we were pretty confident that we would have good volunteer support, we also needed to employ staff to provide the expertise and stability which help to create a vibrant business. It has been a bit of an up and down year with staffing but we do now have 5 staff who all have a huge input into our shop. In a rural area we feel that it is very important to be able to offer paid work alongside our volunteering workforce because it helps to put something back into the rural economy. We were very proud (and perhaps even shocked) to receive one of the Yorkshire Dales Millennium Trust's awards celebrating their 20th Anniversary for Rural Enterprise and Employment. This award came along with £8,000 which we have been able to invest in work on the building – more of that later.

Helen, Ruth and Tara have been with us pretty much since the beginning. This time last year I was able to report to you that the 'Queen of the Sandwiches' was Sue Manson. However, Sue did have to leave us during the year but we now have Margaret Harrison slicing and spreading and, generally, doing a great job. I am sure that Helen will have more to say on that. Another change has been Will Dawson who transferred from the volunteering role he had done since the shop opened to the role of 'Saturday Supremo'. We are all really pleased that he can fit us in alongside the pressures of his farming and media life!

All our volunteers and all our staff deserve every credit for making our community shop a success and I would like to thank them formally for their contribution through this report. They are the key to the success of the business, without them it would not happen and our community would be lot poorer in every respect.

Another thing which helps to make our shop a great success is our building. People really like it. They appreciate the combination of efficient use of space with a more rustic / artisan presentation. It has been a busy year for the building.

We have been able to invest in keeping the shop at a comfortable temperature by putting a film on the windows which cuts down the power of the sun. We also have some coolers which we can use to bring the temperature down when it is very hot. Finally, the canopy also helps to protect the front of the building from the sun. It also has the added benefit of making the shop front more prominent and making it more obvious that we are there. All of this was achieved by means of grant funding from the Kirkby Foundation and we thank them for their generosity.

A job that had been waiting to be completed for some time was taking out the step at the front of the building and creating a slope. This has helped anyone with mobility challenges and also anyone trying to manoeuvre a baby buggy!

Early on in 2018 work was done to the back room, including renewing the plaster, lowering the ceiling, new lighting and shelving. It's very smart but still keeps that more rustic look. Many thanks here to the Ingleborough Estate, our excellent landlords who not only paid for a large part of the work but also project managed it for us.

Finally, the look in the front of the shop has been transformed by the work done behind the counter which not only looks smarter but also gives us better storage and display space (especially for our awards!). Thanks for the funds for this work go to YDMT for their award.

Working in the shop does enable you to hear a lot of comments from the public and among the most interesting are those who say that they haven't visited the shop for a long time and they marvel (yes, marvel) at the difference. Once again our thanks go to all those who have helped to make these changes possible.

Running the shop is not all about the visible things. A lot of work goes on behind the scenes in order to ensure that we are not only effective but safe and also so that we do the best for those who work for us and the community. Towards that end we have this year:

- Updated our employment policies;
- Produced a policy for working with vulnerable adults and children (so that we can have young volunteers in the shop);
- Developed an Environment Policy – we have always tried to take a proactive approach to waste and this is another area where volunteers play a huge role with taking cardboard to the pool as well as disposing of single use plastic.
- We have been looking at our approach to volunteering. As I mentioned earlier, this is always going to be one of our greatest challenges in terms of succession planning but we are aware of this and it is an ongoing issue for the Management Committee.
- General Data Protection Regulations. We all know about that now and you will be aware that we do have a Privacy Policy and a Privacy Statement. We need anyone involved with the shop whether as a shareholder, volunteer or paid staff to sign one of these so that we can keep in touch with them. If, by chance, you have not done this and you want us to keep in touch with you Di has supplies of these with her.
- Revised and renewed our Business Plan.

You will also know that we have been looking at the possibility of launching our Community Fund. It has always been the intention that any spare funds which do not need to be re-invested in the business will be available to be re-invested in the community – for other groups to apply for. We did hope to launch this formally at this meeting but we are holding on for a bit longer. We know that there is some further work to be done to refurbish the front area of the shop and bring it up to the standard of the rest of the building as well as do the outside painting. We, therefore, feel that until we know what that will cost we need to defer launching the Community Fund. I am sure that it will happen and it is all ready to go but prudent housekeeping tells us that there needs to be a delay before launching this.

I hope that in this report I have been able to summarise some of the key things that have happened over the year. It is a privilege to be able to do that and actually very encouraging. However, I do from time to time do some sense checking by asking other people what they think – sometimes to make sure that I am not living in a bubble of my own satisfaction and, also, because when things are challenging it can be quite uplifting. So, I thought I'd share some of these with you – and I promise that these aren't the same ones I used last year!

A lady visiting from Wensleydale said:

This is my favourite shop. I wish we could move you closer to us.

Another visitor said:

This shop is so welcoming. I feel I belong here.

From closer to home one teenager commented to one of our volunteers:

This is the best shop in the world!

I also like to know what the volunteers think about their experience (given their significance for this business) and had one comment which sums it up beautifully. Like myself this person is an 'offcumden' in Clapham and they said:

For me, one of the loveliest 'gifts' of the shop has been the way it has given me, as a village outsider, a bond with the Clapham community: a sense of sharing in the community's life at a level that feels comfortable.

I don't think that I am exaggerating things if I say that all of us, whether we live in Clapham itself or not, feel like that about the shop. It has certainly enhanced our feelings that we belong to this community.

Finally, as the Chair I also have the privilege and pleasure of thanking everyone involved. I think I have already made it very clear how much the work of the staff and volunteers is appreciated. However, thanks to all of you as shareholders and to our lovely customers who really do make it all worthwhile. They are always positive and, on those occasions when we things don't go quite right they are understanding and encouraging.

Specficially thanks again to the Ingleborough Estate who are such excellent supporters and to those who have funded us with 'bonuses' over the last year – The Kirkby Foundation and the Yorkshire Dales Millennium Trust.

Finally I would like to thank the members of the Management Committee for all that they do behind the scenes. I think I have given you a flavour of what some of these things are but they all help to make us fulfil that very important motto – we might be voluntary but we are not amateur. Thank you to them all. Special thanks go to Angela Peach and Denise Wilson who are both standing down this year.

A small gift was presented to Angela and Denise to thank them for their contributions to the success of the shop.

Shop Manager's report – Helen Rollinson:

MAKE HAY WHILE THE SUN IS SHINING! AND WE ARE DOING just that!

WE HAVE SEEN SOME TREMENDOUS SALES IN THE PAST FEW WEEKS, FOOTFLOW IS UP YEAR ON YEAR AND WE'VE HAD A FLOOD OF VISITORS, CYCLISTS AND TRAVELLORS WHO HAVE SUPPORTED US BRILLANTLY.

The sales of cold drinks ice creams and sandwiches have increased our margins as they are all high profitable products.

May and June sales have both been higher than previous years and footflow is 8% up over the 2 months.

Gifts we have taken more on board locally handmade products. The wooden chopping boards crocheted sheep and hand sewn flower garlands and heart bunting are all going well. We also have a range of under £5.00 items for the school children which goes down with the Ingleborough hall visitors.

So what do we sell the most of... well its now the sandwich. We are pleased to say that our sales are so good that they support a part time wage and we are making a margin of 40-50% after all our costs.

In fact our takeaway sales of sandwiches and pies are growing so well that they now represent 13% of our sales revenue. I have to admit we do have a problem in keeping up some days. However..

Our amazing volunteers have risen to any new challenges we have put to them. We have had annual sales training get togethers which gives them also a chance to throw ideas on the table and discuss improvements. We never want you to stop bringing in your ideas and suggestions.

I would like to thank all our volunteers whatever they do and also our 'A' team of paid staff for all their support.

So what are we doing going forward, still maintaining our sales and planning for Xmas - orders for food and gifts are done and planning a tasting evening for October to launch our new products.

So to finish I've written a little poem about a typical day in Clapham Village Store and one or two of my challenges!

'Good morning, Hello there, isn't the sunshine amazing'
'Is it just the paper or can we tempt you with a pain au raisin'
Mmmn I really must order dairy, sausage and ham
Hello, Hiya, yes over there we have plenty of raspberry jam.
Menzies have delivered no Mirrors,' I will go and complain'
The cash isn't adding up,' no worries we can count it again'

'Sausage and bacon with ketchup, and custard creams, they are on offer'
'Sorry no cheques , cash or try credit card its really no bother'
May we have a chicken soup and a potato with cheese
'Oh no, can we have some more sandwiches please?'

'Ice creams are over there, magnums and plenty of ices'
'Have you seen in the back? We have household, biscuits and spices.'
Do you have clothes pegs, a pink comb and some Dove?
'Of course we do sir there's nothing we're short of'

'Where are the sandwiches could we have some more?'
'Oh no who has put all that cow poo on the floor!'
Mmmmn I really must order Dales pies and Morecombe Bay wines
'Yes you can help yourself to coffee, sit outside, it's just fine.'

Cyclists come in all sweaty and full of dead flies,
They stand in front of the air con and dry off their thighs
'Sorry we have no cheese and pickle sandwiches Please bake some bread'
'Or can we tempt you with a pork pie instead?'

Bookers is on its way now, its all hands on deck
The order is huge and Val has so much to check.
'Yet more fizzy drinks are we really short of CO₂?'
'And what no crumpets and beefburger, this really is taboo!'

'Oh no' I sigh ,as we all look out of the door
Ingleborough Hall kids flock in, Oh dear, more and more!
'Just 5 at a time please' the whole shop becomes manic
48 ice creams later and the volunteer is still in a state of panic!

'Hello there! The caves are that way and if you follow the path you will reach the top of the hill.'
'Oh no sunstroke you may need a paracetamol pill'
Mmmn I better just check more sandwiches are on the way
Gosh the queue is expanding and it's nearly the end of the DAY!

The canopy comes in and at last we can do the z run
Again an excellent days sales... and oh what a lot of fun!

I can't believe we've run out of sandwiches!

Treasurer's report – Jill Gates:

Financial Results for 2017-2018

On the face of it we have had another very successful year financially at Clapham Village Store; a small loss of £350 in our start-up year, a clear profit of £8,200 in the second and a profit of £10,000 this year, and our cash reserves have increased from £11,000 last year to £21,000 this year. All of this is very encouraging and a credit to all the staff, volunteers, investors and customers who have made this happen; but, so that we don't get too complacent, there are one or two things behind the figures which I'd like you to be aware of:

- The £10,000 profit includes the £8,000 award from YDMT's 20th Anniversary Celebrations; without this our net profit this year would be £2,000 compared to last year's £8,000
- So why is this, given the increase in gross profit and gross margin?
 - It's the first year of paying full rent after Ingleborough Estate's stepped rent which allowed us to get started
 - It's also the first year of paying for the Reposs till support – remember the helpful young man at the end of the phone when the till crashes? Well he costs us £1.32 per day
 - We've had to abandon charging 25p for using debit/credit cards which used to offset the fees we paid to the card machine provider
 - And we've had additional staffing costs for making sandwiches and providing holiday cover rather than relying on volunteers for all of this

In other words, we've reached the end of the honeymoon period; now that we are trading successfully we can expect to pay full price, commercial rates for the services we require. What really brought this home to me recently was a letter from the Co-op Bank saying that because we are banking more than £100,000 pa in cash, we will now be charged for every transaction which hits the bank statement; this is going to cost about £1,400 pa.

And then between us, Helen and the Management Committee have also decided to buy in some extra services like weekly cleaning and professionally cleaned doormats every couple of weeks; while these items might not have seemed essential in the beginning, they help to keep the shop looking bright and inviting for customers and they remove a lot of the stress from the day-to-day running of the business for staff and volunteers alike.

On the capital and investment side we have spent £12,400; this has gone on cooling solutions (the canopy and the window film which were largely funded by a very generous grant of £4,500 from the Kirkby Foundation), extending the counter and doing up the wall behind it (thanks to James Marshall), and refurbishing the back room (the Estate very kindly paid for the re-plastering and project management which just left us with the new ceiling and the lighting to pay for). And then we also had to replace one of our chillers which unfortunately died 4 years before the treasurer expected it to.

We haven't needed to ask for any short-term loans this year, but we have had £1,300 of new share capital which is always very welcome and shows continuing support for the venture.

Business Plan: 5 Year Forecast

As well as looking back on fact this evening, I'd like to take a little look forward which means entering into the realms of guesstimates and assumptions. We have just updated the Business Plan for the next 5 years which is about as far into the future that we dare look, and as usual we have been fairly cautious, believing that slow and steady is more sustainable in the long run than fast and ambitious. We would like to be in a position to replace our capital assets every 5 years if necessary – fixtures, fittings, leasehold improvements, equipment and chillers; these currently amount to about £52,000. So, what assumptions have we made?

- Sales will increase at 5% pa (volume and/or price)
- 25% gross margin will be maintained
- No capital gains/losses on disposals of fixed assets i.e. all chillers will reach the end of their expected lives and then be scrapped
- Inflation at 2-5% depending on the item
- £2,000 - £4,500 will be raised each year either through donations, grants or miscellaneous income (fudging line)
- Corporation tax at 19% (current rate but who knows...)
- Up to 10% of net profit before tax to be made available for Community Fund Grants once we have completed the last major refurbishment project – the front room

For the purposes of this exercise we have also assumed that we will get an extra £500 of share capital each year and that we will use some of our cash reserves to make up any shortfall for replacing assets; we would now feel quite comfortable operating with a minimum balance of £12,000 to £15,000, particularly as we know that we could raise £5,000 of interest-free loans at short notice in the event of a crisis.

If all of this comes to pass, you can see from the Profit & Loss Account that we should at least breakeven over the next 5 years, and the projected Cashflow Statement shows that we should always have between £16K & £20K in the bank.

This however, is just one scenario:

- We might not need to replace £10,000 of equipment every year if the other chillers prove to have a bit more staying power than their deceased colleague
- Sales might increase at more than 5% leaving us with more cash generated from the operations
- On the other hand, sales might take a nosedive now that the new Co-op down the road has opened or when all the new houses have been finished and the builders have left. Who knows?

And remember that fudging line: its sole purpose is to bring the Forecast to break-even, but it gives you an idea of what we might need to achieve. I can say that since February we have sold quite a few shares which means we have already far exceeded our £500 target for this year, and, we have just hosted a study day through Plunkett for East Morton which has earned us £250 with probably another couple of days of the manager's and the treasurer's time in the pipeline

One thing that we do know for certain is that we are still heavily dependent upon our volunteers to keep the business going. Holidays, sickness and bad weather have shown that we can manage for short periods without the paid staff – very short periods mind – but if we're ever short of a volunteer to be that second person on duty, we have to shut the shop.

In previous years I have quoted a figure of £25,000 as being a financial measure of the volunteers' contribution but this was just based on employing one extra full-time retail assistant. This year the Management Committee have been looking at volunteer hours to see if there are any areas where we would be exposed if we lost any of our volunteers: based on summer opening times the shop is manned for 66 hours per week (bakers, cashiers and paper boys are in before the shop opens) but sometimes there's more than one volunteer on duty (early morning, lunchtimes, Bookers,) so weekly volunteer hours per the rota amount to about 100 hours every week; based on the living wage that works out at £41,000. Then there are the people who take the cash to the post office, collect the prescriptions and wash the tea towels on a daily or weekly basis. Then there are the people who tend the garden, do bits of painting and carry out maintenance jobs for us as and when required. And then there's the management committee, most of whom have been a bit cagey about exactly how many hours a week they put in, so it gets difficult to calculate a figure – but you get the general idea.

For our success to continue and for us to still be trading in 5 years' time, we need the continued support of our volunteers as well as our customers. The shop is such an asset to the village and has enriched the lives of so many people who live in and around Clapham that we are confident that it will be here for many years to come.

Any questions?

Sue Manson asked if there was ever a month when the shop made a loss. Jill explained the seasonal pattern of our trading which means that there are some months when a loss might be made notably November and the early months of the year. Obviously, these need to be compensated for by the more 'fruitful' months.

Motion to accept accounts:

Proposed: James Innerdale **Seconded:** John Norris

Appointment of Auditor – Jill Gates:

The Management Committee are responsible for preparing financial statements which give a true and fair view of the statement of affairs of the company and of the profit or loss for the period. We have to present Annual Accounts to the AGM.

Section 6.2 of our Rules states that "as a result of the provisions of the Deregulation (Industrial and Provident Societies) Order 1996, the Society has the power to decide not to appoint an Auditor to audit its Annual Accounts".

In the past 3 years you have voted to exercise that power so instead of an audit (cost ~£5K) Haworths have examined our accounts to ensure that they are in agreement with our accounting records (cost £700).

You are very welcome to go through the accounts in more detail with the treasurer.

Proposal: That the Members exercise the power to decide not to appoint an auditor for 2019.

Proposed: Barbara Yates **Seconded:** Jill Buckler.

Company Secretary's report: Diane Elphinstone (delivered by Marilyn Galpin in Diane's absence)

A reminder that all shareholders have an equal vote, irrespective of the number of shares one has.

We continue to welcome new shareholders, an indication that we are still doing well!

The Shareholder Prospectus has been updated over the last year. It is available on the Shop website together with the share application form, nomination form whereby you can inform us who you wish to inherit your shares, and the GDPR privacy statement which informs us how you prefer us to communicate with you.

Although we have recently had a flurry of new share applications, this report covers to the end of February 2018. We gained three new shareholders, increasing the shareholding by 120. Therefore we had 181 registered shareholders at the end of the 17/18 financial year.

Election of Management Committee:

Sue Mann explained that the constitution required 1/3 of the Management Committee Members have to stand down each year, though they may be re-elected. Therefore,

Management Committee members standing down:

Denise Wilson, Angela Peach, Jill Gates and Diane Elphinstone

Continuing on the Management Committee:

George Sheridan, Kathy Hall, Chrissie Bell, Sue Mann, Iain Crossley, Liz Walton and Marilyn Galpin.

Standing for election:

Nomination papers have been received for Jill Gates, Diane Elphinstone, John Hibbert and Barbara Yates.

Therefore the full committee proposed for 2018 – 2019 is:

Sue Mann

Jill Gates

Marilyn Galpin

Kathy Hall

Chrissie Bell

George Sheridan

Liz Walton

Iain Crossley

Diane Elphinstone

John Hibbert

Barbara Yates.

Proposed: Stuart Marshall

Seconded: Angela Peach

AOB:

- A question was received about shoplifting. Sue explained that we had had one instance where the culprit had been caught with the help of CCTV. She said that, whereas we cannot eliminate that altogether we do have CCTV and the staff and volunteers are vigilant. We also do monthly stock checks which would show if there were notable losses so the situation is constantly under review.
- Stuart Marshall expressed thanks to the Management Committee for all their work on behalf of all those 'in the cheap seats'.

Sue thanked everyone for attending whether they were shareholders, volunteers or customers (or all three in many cases).

The meeting was then declared closed at 7:30.