

## H&WCS LTD – MINUTES OF THE ANNUAL GENERAL MEETING

HELD ON 14<sup>TH</sup> APRIL 2019 AT 6.30 p.m. THE MEMORIAL HALL, HOUGHTON

### Committee Members Present:-

Helen Boothman (Chair) (HB)  
Paul Boothman (Treasurer and Secretary) (PB)  
Anthony Garside (AG)  
John Stanger (JS)  
Bill Skinner (BS)  
Rosy Waddingham (RW)  
Angela Passant (Minutes) (AP)

### Also Present:-

Guy Morton (H&W Community Fund) (GM)  
Toni Hunter (George Hay LLP) (TH)

## 1. Welcome and Apologies

Helen Boothman, Chair of the Management Committee, opened the meeting by welcoming the 89 members and guests who attended and gave general apologies from the 25 members who could not attend.

She advised that there was a change in the order of resolutions, number 4 being taken after an explanation of the charity fund had been given by Guy Morton.

## 2. 2018 Highlights and Performance

HB reflected on the past year, which had been a difficult one for high street shops, with the closure of 7,500 high street shops during 2018. The Plunkett Foundation Review of Better Business showed that the 348 community shops had performed much better, were turning over now in excess of £53m and showing a 94% survival rate compared with 44% for small independents. The model that we adopted is working well and is appreciated by our customers, as shown in the survey of summer 2018, with over 99% of the responses given by both villagers and visitors stated that having the village shop was very important. Our accounts for 2018 reflect that success.

HB explained that our core values had been developed as a direct result of the feedback received in the survey as we are friendly, caring, listening, trusted, appropriately commercial and inspiring. We need to understand and reflect the shopping habits of our customers and potential customers, with the key requirements being value for money, quality and locally sourced. The EPOS system (Electronic Point of Sale) allows us to do that with powerful reporting facilities.

Similarly, with the number of branch banks closing and following a successful campaign, the Post Office also benefited in an increase in the number of customers using the varied services offered during 2018.

Our drive to recruit more volunteers during 2018 has been successful, with 59 villagers being involved on a regular basis.

2.1. Bill Skinner presented his view, as both a regular volunteer serving in the shop and a Committee member, of the way in which we care. The shop is in the centre of the village, easily accessible and is open for 81 hours a week. With the Community Corner as a real asset and strong links with Timebank and Foodbank, Our Shop is a true community hub.

2.2. John Stanger (volunteer and Committee member) continued the theme of caring by talking about our value of caring by explaining how sustainability is a thread that runs through all Our Shop does. From the composting of waste food to the recycling plastic bags and other items and encouraging people to use our jute bags for life, we are environmentally aware. In addition, we use 18 local suppliers to reduce food miles in delivering stock.

Paul Boothman developed our value of being appropriately commercial as well as supporting the community. Local organisations benefited from us selling to them at a low margin or at no additional cost, such as the local history society's recent book about Houghton and Wyton, which had proved very successful. Takings for 2018 were 22% up on 2017. As a critical measure of profitability, our margin was on target and we had invested heavily, but necessarily, in maintaining and improving the fabric, fixtures & fittings and decor as well as staffing for the growth in turnover but resulting in a shortfall of £8k in our overall profit compared to budget.

### **3. Presentation of Statutory Accounts by George Hay Partnership**

Toni Hunter presented the accounts prepared by George Hay Partnership and explained the impact on the overall profit by the grant income. The grant of £300k that enabled the shop to be purchased was over a 10-year period and therefore income was being released into the accounts at £30k per year. This had the effect of masking the actual profit made. She advised that over that period, it would be necessary to develop the business (turnover needed to be around £750k) so that the shop did not rely on the use of volunteers. (This was later corrected by PB who advised that this was a community venture and therefore the continuing use of volunteers was embedded in the structure. TH agreed that was the case.)

Toni advised that, as a result of the use of volunteers, wages figures were relatively low compared to growth than might be expected elsewhere. On the balance sheet, Toni advised that the Net assets figure of just over £1k is good for only the second year of trading and there were no concerns in that regard. The Bank loan of £136k+ was being repaid at just over £1K per month. On that basis she forecast that the shop would be self-funding in 8 to 10 years' time.

### **4. Questions and Discussion re 2018/9**

Question from the floor: Would the amount we had needed to spend on repairs & maintenance continue?

Answer - PB replied that most of the building and contents had now been repaired hence the level of spending for 2019 would be very much lower. A total figure of £6.7k had been set aside for 2019.

### **5. Membership Strategy**

PB advised the meeting that a membership strategy was a requirement of our Model Rules. Members were at the heart of the Society with communication being both formal (such as the AGM) and informal (development of the website with a members' page, newsletters and notice boards) and social events for the volunteers, who are all members. The Society will always have volunteers, providing opportunities



This meeting RESOLVES THAT, the committee develops a new open offer share scheme to invite more individuals to become members of the Society and to be ready if needed to launch this scheme and be offering new shares by April 7<sup>th</sup> 2020.

A vote was taken by a show of hands.

Voting Results\* – For 85 Against 2 Abstentions 5

The resolution was **approved**.

\*including postal votes

## 7. Management Committee Election

HB thanked the 2018/9 committee members and those who were not standing again for their hard work and support for Our Shop during the year.

Anthony Garside confirmed the new committee members for 2019/20 to be:-

Lesley Craig for one year and John Mills, Ann Utley, Alan Williams for three years and Bill Skinner re-elected for three years. The new members were warmly welcomed by the membership.

Interval – entertained by The Houghton and Wyton Community Choir and results of EPOS quiz (Rosy Waddingham)

## 8. The Houghton and Wyton Community Fund

PB introduced Guy Morton, who gave an overview of the Fund. He explained the Fund had a simpler form of a model constitution and would be administered in line with Charity Commission rules. One member of the H&WCS Ltd management committee would join four independent trustees on the Fund's committee, whose powers were to help people in the Parish and those in need. The application for registration with the Charity Commission has been completed, although a backlog may mean a delay in receiving confirmation from the Commission.

## 9. Our Shop Film

AG introduced a film made to show the membership the investments made in Our Shop during 2018. The film showed where the financial investment had been made and confirmed the benefits of those improvements to the running of the shop.

## 10. Resolution 4

PB advised that there had been a late amendment proposed by member Chris Spearing (CS) but according to the Model Rules this could not be adopted. However, PB said that the Management Committee would take his comments on board and use sound judgement when considering the reserves policy and use of any surplus funds. **Action – Management Committee**

The original Resolution stated 'This meeting RESOLVES THAT, a sum of up to £2,000 is paid to the Houghton & Wyton Community Fund (Charity number still to be advised) during 2019 to further their objectives of delivering benefit in and around the local community.'

CS confirmed that he supported the principle of the Community Fund but wanted re-assurances that only when the shop was on a sound financial footing should money be given away. He outlined his concerns that were:

1. The unsecured loan is fully repaid.
2. A reserve fund is established with sufficient funds to pay the annual interest to shareholders.

**H&WCS LTD – MINUTES OF THE ANNUAL GENERAL MEETING**

**HELD ON 14<sup>TH</sup> APRIL 2019 AT 6.30 p.m. THE MEMORIAL HALL, HOUGHTON**

3. A reserve fund of at least £10,000 is established to repurchase any shares that the committee are requested to buy back.
4. The finances of the shop comply fully with the Financial Reserves policy.

PB responded and confirmed that the unsecured loan would be paid in July. He re-iterated that the shares offer was the best way to create a fund to repay those who wanted to sell their shares.

A vote was taken on the original resolution by a show of hands.

Voting Results\* – For 74 Against 6 Abstentions 12  
 The resolution was **approved**

\*including postal votes

There were two related questions from the floor:-

Q 1 – Reference to the recipients of funds from the Community Fund? How would applications be assessed?

A - Guy Morton responded that the priority was those with special needs and that it would be difficult to be too prescriptive.

Q 2 – If and when interest on shares is given to shareholders, will there be an opportunity to donate this to the Community Fund?

A – Yes, that would be in order.

HB introduced Guy Morton in his capacity as a lawyer to advise the meeting further on the amendment suggested by CS. GM thought that there was a difficulty in that people had already voted by post for resolution 4 before CS had put the amendment forward and on that basis it could not be tabled at this meeting. He also added that model rule 8.4.4. stated that ‘All distributions must be funded from trading profits, reserves or new share capital raised from Members and such distributions are at the absolute discretion of the Management Committee having regards to the long term interests of the Society, the need to maintain prudent reserves and the Society’s commitment to community benefit.’ GM concluded that there was a spread of objectives that can be funded but that there cannot be hard and fast rules imposed on the committee to follow.

**11. Annual Plan 2019**

HB introduced 2019 as a year of consolidation. Key targets included:-

- **Shop Turnover** - £619,869
- **Gross Margin** – 21.8%
- **Net profit** – £19,063
- **Post Office** – income £24,263

- **Flat** – income £9,025.
- **Volunteers** – pool of 40-60 and minimum of 224 hours per month
- Reduce energy usage by 8%
- Reduce our reliance on plastics
- Increase number of local suppliers and to increase sales
- Reduce car journeys out of the village
- **Surplus profits** – To be in a position to donate funds to the new Houghton/Wyton Charitable fund at the end of the year to distribute to local causes

We would continue to review our performance against our values,

- carrying on listening, examples of which include working with the Parish Council to consider providing cycle racks (from our market research), new consider other new local products in the shop, (fresh flowers in the shop that had proved very popular) and an increase in the number of volunteers that had been one of the objectives stated as part of the lottery fund application.
- being trustworthy – managing our assets well and to develop the Management Committee to ensure this.

HB said that targets for 2019 that the Committee had set were challenging but achievable. We were promoting Our Shop through the newsletter which was being delivered to the nearby villages and that Our Shop had reached the final stages of the Countryside Alliance awards, with the judges visiting Our Shop on 25<sup>th</sup> April. This was an opportunity to further support Our Shop by impressing the judges by coming in and shopping on that day.

HB concluded by thanking everyone for their attendance, together with the staff and volunteers of Our Shop for their significant contribution throughout the year.

The Chairman of the local history society thanked the committee, staff and volunteers of Our Shop for supporting the promotion and very successful sale of the village history book during 2018 and mentioned earlier.

The meeting closed at 8.50 p.m.