

# Minutes of the Tenth Annual Members' Meeting of the Chalke Valley Community Hub Ltd held on 7 March 2024 at 7.30pm

18 shareholding members and 1 guest attended.

Derek Brown, the Chairman welcomed everyone to the 10th Annual Members' Meeting.

1. **Apologies** were received from: K Mills, R Sykes, T & L Hitchings, M & L Seymour, A Stutchbury, M Clover, R & P Abbott, C Long, V Rowe, M Tomkies, A Jeans, R Collins, W Hillary, A Wiltshire, J & D Gilbert and J Macarthur.

2. **A quorum** was declared.

3. **The Minutes of the Ninth Annual Members' Meeting** held on 29 March 2023 were accepted as being correct after a proposal by Sandra Kidby, seconded by Linda Walton and carried unanimously.

4. **The Society Accounts for the year ending 30 September 2023** had been tabled and were presented by the Treasurer, Julian Thomas.

Julian provided an overview of how the Hub has been trading during the last trading year, to September 2023, and then an update for the current year i.e. from October 2023 to date.

To September 2023, shop sales saw modest sterling growth of 2.8% but being well below inflation of 12.2% over the same period, the volume is down. Café sales were up by 21.6% resulting in total sales growth of 6.1%. This has resulted in a slight reduction in the year end loss of £18.1k against a loss of £20.4k for 2022. The key issue remains our overheads being too high. In essence, the position is similar to 2022.

The profit and loss were looked at in detail. Against a turnover of £355.6k, a gross profit of £102.2k was achieved indicating a better gross margin of 28.7% c.f. 2022 margin 27.8%. Operating expenses of £123.7k were up on the previous year but only by c.£5k. This 4% increase is considered acceptable bearing in mind inflation levels. The net operating income was a deficit of £21.5k but less than 2022 by just over £5k. From this point, in the past other income, primarily grants and awards, would have come into play but these sources are becoming scarce. £3.4k (£5.1k 2022) of other income was available resulting in a final net loss of £18.1k compared to a net loss of £20.4 k last time. An improvement, but a loss nevertheless.

The overhead element was considered next. Effectively, it is unchanged from before with the wages category being the only significant area that can be managed. At the moment, it is the price we are having to pay to keep the enterprise open and maintain the levels of service that users want.

There has been a significant reduction in overtime hours per month, down to 78.4 hours from 97.5 hours. This equates to a reduction of approximately 4% in total paid hours worked. Unfortunately employment costs increased by 5% as a result of mandatory Living Wage increases which will keep growing in line with inflation.

In the past, as mentioned, grants and awards were available to obviate the trading deficits. Fortunately, the Hub still retains a significant level of reserves, c.£85k, but this will continue to erode year on year if we cannot curb the loss-making trend.

Julian then provided a review of the current trading period, financial year 2023/2024 to date. Shop sales are up 7.9% on a year ago but with inflation, volume sales are level. The café is levelling out with 5% growth on a year ago after very strong growth from the year before that: the year 22/23 up by 21.6% on 21/22. Total sales growth for the full year to Sept 2024 is forecast at approx. 7 to 8%. If

inflation at stays at 7%, potentially there will be no increase in the gross profit. However, operating costs will increase unless corrective action is taken.

To conclude, the key issues were considered. It will be a challenge to get real growth in shop revenue due to the competitive elements; discount supermarket competition, proximity of other convenience stores capturing their local communities (Coombe Bissett, Fovant, Sixpenny Handley and Ludwell). The café has modest opportunities for growth due to space limitations (number of tables, kitchen size). There is the possibility of higher price options within the menu but how attractive is that? Overheads; how to reduce employment costs?

Concluding his presentation, Julian sought questions from the floor.

Di Jeans asked about grants and where they may be found. Linda Walton responded. They are from central and local government sources, now mainly for start-up situations and capital acquisitions. During the Covid years they were available as an emergency working capital source but there is nothing of that nature now. Funders would want to see a strong trading position or forecast which we would have difficulty in showing currently.

Hilary Brown asked if the Discworld grant was an annual arrangement. Julian explained that it wasn't, having been available at the outset to assist with the establishment of the enterprise. The amount held currently is a reserve which is ringfenced and would need prior agreement from the Trustees before it can be used.

Sally Fry asked if we were earning interest on our deposits. Julian confirmed that we are.

Terry Jolly explained that the report in the accounts needs to be approved by the management committee and signed on its behalf by the Society Secretary, himself. Similarly, the financial statements require approval by the management committee and be authorised for issue. Those members of the Committee present, approved accordingly.

## **5. The Management Committee Report**

Derek Brown acknowledged that, again, it has been a difficult year.

The trading loss is the main concern. While it was encouraging that there had been some improvement, more is required and will be the priority.

We will be looking at the processes undertaken by the staff and restructuring some of their activities. This is targeting savings of c.£7.5k. Some of the managerial tasks will be changing to free Tony up to concentrate more on activity and less administration. Volunteer support is critical in all of this. Additionally, if we all want it to remain and provide the services and products that it does, we need to continue to use it and buy more where we can.

Following the Secretary's message earlier in the month, there have been 4 pledges to support the Hub with some equipment replacements and upgrades. Items identified so far include the dishwasher/steriliser, an oven, crockery and a mains water urn. A prioritised list will be established after which those who have pledged will be approached. Commitment has already been given by the Knit and Natter group through their fundraising sales towards the water urn.

The inability to engage with our landlords, the URC, remains a frustration and has involved us in some premises costs which isn't necessarily our responsibility, but which has been necessary to undertake. Obviously, the lease renewal has yet to occur.

There followed questions from the floor.

Sue Fry asked if there are any legal remedies while Liz Jolly asked if we are writing to the right people. Katie Whitmore mentioned that she will try to find out if there is a legal remedy of withholding rent as this would be something of which the URC would take notice. However, she fears that it is not legally permitted and that seeking a remedy through the courts is the correct course of action. If this is the case, it is extremely frustrating. Ann Ferreira enquired what would happen if 'we walked out'. Rina Musselwhite explained it will remain as a church. Michael Roe advised that after 3 years or so of opening they had cause to contact the Moderator, the head of the URC. Derek confirmed that the current Moderator has been written to, together with the Church trustees but there has been no response. Linda Walton asked if there is a time frame in place which Derek conceded needs to be done. The local congregation tried bringing pressure to bear, with no success either. Rina Musselwhite, on behalf of the congregation, expressed their shame at this ongoing situation.

Sue Fry asked if Valley newsletters are updated regularly to get any messages across; confirmed by Derek. Also, she asked what was done about village newcomers and getting them involved. Terry Jolly advised that the welcome teams, managed by Janet Roe, hand out information packs. Within these, there is a Hub sheet providing background to the Hub, what it offers and inviting people to volunteer and become shareholders. Julian Thomas added that while becoming a shareholder would be welcomed, the best value one can give will be to volunteer.

## **6. Appointment of Independent Accountants**

Being satisfied with their overall service and the pricing, Julian Thomas recommended the re-appointment of the firm. This was proposed by Rina Musselwhite, seconded by Michael Scott, and passed 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**

Due to the competency of our record keeping, and in particular by Liz Brown our bookkeeper, Terry Jolly advised that we are satisfied that the accounts produced show the accurate financial position of the organisation without the need for the accounts to be audited. Secondly, by not auditing there is a good cost saving.

He reminded the members present 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 Julian Thomas, seconded by Michael Roe, and was carried unanimously.

## **8. Elections to the Management Committee**

Rachel Sykes, Linda Walton and Julian Thomas retired by rotation and were willing to stand for re-election. Following proposals from Di Jeans and seconded by Ann Ferreira, and there being no other proposals, they were voted in unanimously.

Rina Musselwhite had been co-opted to the Management Committee during the year and is willing to stand formally as a member. Following proposals from Michael Roe and seconded by Miranda Dodd, and there being no other nominations, she was voted in unanimously.

Sally Fry had indicated a willingness to stand as an MC member to fill a vacancy on the Committee. Following a proposal from Rina Musselwhite and seconded by Sue Fry and there being no other previous nominations, she was voted in unanimously.

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

Di Jeans asked if the Surgery opening days had any effect on sales. Tony Patel advised that while there was no discernible change in the shop, certainly it was busier in the café during surgery days.

Katie Whitmore expressed a vote of thanks to Tony and his team and all volunteers for the time and effort put in to ensure the Hub is open and providing a great service to all users.

Michael Roe expressed a vote of thanks to all members of the Management Committee for what they do.

Ann Ferreira commented about the congestion which occurs outside in the High Road, and which is becoming more common. A general discussion followed about causes, effects and remedies. Derek Brown reminded everyone that the parking area is not 'Hub land' and is owned and managed by the Highways Commission/Local Authority. Where we are able, we need to be encouraging 'non-Hub' users e.g. walkers, pub patrons, to use the other parking areas i.e. the church and pub car parks.

Miranda Dodd flagged up the premises limitations and asked if there is scope for the café area to be used outside of café hours. Derek mentioned there had been groups using this space in the past, but it was dependant on the availability for staff/volunteers to be present. At the moment, as discussed earlier this evening, this is not something that could be established. However, Julian does feel that there is some scope for something but will need looking into.

With there being no further questions from the floor, Derek thanked everyone for attending and asked they continue to spread the word. Come and use the Hub! The meeting closed at 8.30pm after which refreshments were provided.