

**Huby & Sutton Community Shop Ltd**  
**Annual General Meeting**  
**Friday 8 October 2021 7pm**  
**Memorial Hall, Huby**

**Present:** CHAIRMAN Denise Howard OBE, TREASURER Sara Ellis, COMPANY SECRETARY Lynn Wagstaff

DIRECTORS: Terry Wolf, John Micklethwaite, Adrienne Micklethwaite, Elaine Corden, Stephen Colquhoun

**Apologies:** 13 Apologies were received

Mrs Howard welcomed all attendees to the sixth Annual General Meeting.

Minutes of AGM held on 25 September 2020 had previously been circulated, these were approved and Proposed Mrs Terry Wolf, Seconded Mrs Hilary Kilner

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**Chairman's Report:** I can't quite believe that we are holding our 6<sup>th</sup> AGM but thank you all for taking the time to come and hear the reports of the MC. It's certainly a better turnout than last year.

You'll be pleased to know we have wine after the formal business has concluded in around 20 minutes or so, so don't dash off when we get to the end of the Agenda! I wonder if that has influenced the numbers attending!

This report covers the period 1 May 2020 to 30 April 2021. It has continued to be a challenging period for our volunteers and customers as we faced various lock-downs, rule changes, supply shortages and increased turnover in the shop.

The Good Neighbour scheme we launched at short notice in March last year has continued throughout the period – and indeed continues today – for those customers who need it. The scheme has enabled a different kind of volunteer to get involved with the shop, and their support has been invaluable for many house-bound residents or those that had to shield.

You all know that the shop is rather small, and that we have limited options for storing stock. In Spring last year, Elaine, Sara and myself - with the agreement of all the MC - commissioned the purpose-built storage shed with veg shop which was installed on the forecourt a year ago.

The investment of around £8k has more than proved its worth. Pre-pandemic we turned over around £5k weekly. Turnover doubled almost overnight at the first lockdown to more than £10k weekly, and this has since settled to around £7k - £8k. This is still around 50% more than before the Pandemic. SO more sales needs more stock and more stock needs more storage and more volunteers to help place orders, check and receive the delivery, fill shelves and put away. It is a continuing cycle. We are not a community group that organises one event a year – we have to do this every day and every week – and we could not manage without the new stock shed.

The Post Office also continues to be busy with Jack at the helm as Post Office Manager and assisted by Janet and Marion. We have very little space to store all the post and parcels, especially in

December! And also in January - when unwanted presents get returned and the shop overflows with bags and bags of parcels. The Post Office team do a great job in a very confined space.

Many of you will know from previous AGMs that the remuneration from the national Post Office only covers 20 hours of opening. We therefore choose to use some of the shop 'profits' to subsidise the PO costs so that we can open for 43 hours. The PO is an essential service for our community and a worthy investment.

It is pleasing that we welcome new neighbours to the village each year who support the shop - with the purchase of a £20 share - and help to maintain our membership at a healthy 500 shareholders.

Of course we regrettably lose some members each year, and over the last few months we have lost too many friends, neighbours and volunteers, including Sandra, our stalwart Saturday opener for several years, Ruth Baines and Peter Dennis, lovely customers who valued the shop and the service of all the volunteers, and just last week, Willie Anderson. Willie was on the original steering group for the shop at the beginning of 2015 and has been immensely supportive and appreciative of what we have achieved during the last 6 years for everyone in Sutton and Huby.

During this period we were not able to hold our regular volunteer get togethers so there have been a lot of emails holding everything together. We will hold our first proper volunteers meeting next month.

However, we were delighted to be able to hold a Thank You party here in the hall in August this year, for around 45 volunteers. It was a joy to hear the buzz of conversation and laughter over a buffet and much wine! In April this year we gave each of our volunteers a box of Easter treats as a small token of appreciation. Many of our volunteers have told me that during the extended periods of lockdown, volunteering in the shop was a way of getting out and meeting people, feeling useful and stopped them feeling isolated.

In July, we hosted a visit from the High Sheriff of North Yorkshire, Venetia Wrigley. She presented us with a 'TeamBarkers' Award for all our volunteers as a thank you for our services to the community.

We rely on our volunteers to keep the shop running 7 days a week - and just can't do this without them. We need around 100 volunteer hours each week to open our current shop hours. I was therefore very pleased to learn of an obscure accounting principle - the Peterhead Principle - which allows not for profit, formally constituted organisations like our Community Benefit Society, to offset the work of volunteers against any Corporation Tax payable on 'profits'.

Given that last year we paid £5500 in Corporation Tax, and this year it would have been closer to £7k, it is something I asked the accountants to investigate and check we could use.

We manage our volunteer rota and directory on some cloud-based software, and so can easily confirm the 100 hours+ a week of volunteer work if HMRC decide to challenge us.

Another community shop applied the Peterhead Principle, which HMRC did challenge, and the community shop won the case - quite rightly. If we paid even minimum wage for all the hours worked by volunteers, we would make a considerable loss each year, and the shop would not be sustainable. So this year we should pay no Corporation Tax and today we also received a welcome refund from HMRC on the Corporation Tax paid last year. I don't think we can go back further than that but I will check!

We are building our reserves for good reason.

Our primary purpose is to ensure the long-term success of the shop and Post Office for the benefit of both villages. Our current lease with David Barker ends in 3 ½ years and ideally, we would like to purchase our own premises before then, to expand the services, provide level access into the shop, more space for the Post Office, better storage etc to ensure the shop continues for as long as it is needed.

In the last few months, we have tried to purchase two different properties on Main Street –but both were unsuccessful. We are also continuing to talk with David Barker about purchasing the existing shop and his house, to enable us to move forward with our plans. There is a community fund available at the moment, which could provide 50% of the required capital funding. It would be a shame to miss this. David is aware of the funding timescales but until he decides what he wants to do, we are in limbo.

The Management Committee, all eight current members - are all volunteers too and very much involved in the day to day operational running of the shop – but we also have to look ahead strategically and the search for a permanent home for the shop is a priority for us.

I've been very fortunate as Chair of the organisation for the last 6 years to have such a supportive, hands-on and good natured group of fellow Directors. Thank you to each and every one of you, Sara, Lynn, Elaine, Terry, Adrienne, John, and Steve – it's a pleasure to work with such a committed team.

I'll happily take questions after the Treasurer has reported.

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**Financial report:** Good evening, everyone, it's nice to see you all again after another trying year with Covid

I have served another year as Treasurer of the Society and can report that the annual accounts and Financial Summary for the period 1 May 2020 – 30 April 2021, have been prepared by Clive Owen & Co accountants, and have been approved & signed by the MC.

We continue to use the cloud-based software to maintain our book-keeping which our accountants have access to at any time. As treasurer, I undertake the weekly management of all supplier invoices and check these against any delivery notes or shop orders, before adding them to our ledgers for payment. I continue to look to see if I can do better deals with some of our suppliers for example waste collection, credit card charges etc. Denise and I have online access to our bank account with Santander and we still pay suppliers weekly by BACS.

We continue to operate a statutory pension scheme for the eligible staff who work in the Post Office, and this is also administered by Clive Owen & Co on our behalf. They also prepare & submit payroll details to HMRC monthly from information supplied by Denise.

The society reports to the Financial Conduct Authority and we will shortly submit the annual return to them.

You will see from the Summary Accounts we have generated a healthy turnover of £384,127 which is £74.5k more than the previous year and made a pre-tax operating profit of £32.5k again more than the previous year by £7k.

The turnover increase was due again to more customers using the shop more often and spending more during the lockdown periods.

The balance sheet shows healthy shareholder reserves of over £100,000 at 30 April and providing shareholders, customers and volunteers continue to use and support the shop, the MC is confident the society is a financially sound position to continue.

I am happy to take any questions on the accounts.

**Election of Committee:** We currently have 8 volunteers who are directors. Adrienne Micklethwaite is stepping down after five years, although will still be volunteering as usual with training D of E volunteers etc.

We have two nominations for Directors, Jan Garrill and Sam Gould, both nominations elected unanimously, and unanimous vote for the continuation of the existing 7 Directors.

**Appointment of Accountants:** The MC recommend the reappointment of Clive Owen, & CO this was proposed by Steve Colquhoun and seconded by Michael Waite.

Although the MC are aware there may be other Accountants who may offer lower fees to attract our business, the Chairman and Treasurer would have to dedicate considerable time to 'train' in and work with a new company. The relationship with Clive Owen & Co continues to work well.

**AOB:** The members voted for the Charity of the Year from January 2022, the RNLI

No further matters were raised, the meeting closed at 7.25pm, followed by refreshments