**Candover Valley Community Store Ltd**

**2019 AGM – Chair’s report**

**Introduction**

1. Welcome to the Annual General Meeting of the Candover Valley Community Store Limited. We are delighted to see so many of you here today.
2. You should have (on your chairs) a copy of the agenda for this evening, a set of accounts (or the financial statements as they are titled) and a single page showing a graph and some figures. If you look first at the agenda, you will see that Richard Saunders, our recently retired Treasurer, will explain the accounts prior to approval. He will be reporting on the accounting period from 1 July 2018 to 30 June 2019.
3. We will then take questions about the accounts before asking you to approve them. We will then move two resolutions about dispensing with an audit and about electing a committee member.
4. I will then present the Chairman’s report on the year, update you on the project costs and the current trading position of the Candover Valley Store.
5. That will conclude the formal business of the meeting but there will then be an opportunity to ask questions about the progress of and plans for the community store.

I am now going to ask Richard Saunders our outgoing Treasurer to present the accounts for approval. It is important to remember that our 2018/2019 accounting period spans the period from 1 July 2018 to 30 June 2019. This period covers the time when we were still actively seeking funding for the project through donations, the shareholder scheme and from grant applications. It also covers the construction, fit out and stocking of the store and the first three weeks of trading.

**2. Richard Saunders – presents accounts - ends**

**Any questions on the accounts?**

**Please may I therefore ask someone to propose the resolution:**

**“That the Management Committee’s Report and Accounts for the year ended 30 June 2019 be and they are hereby approved”**

**Proposer**

**Seconder**

**Would shareholders only please now vote. All in favour. Anyone against.**

Thank you Richard. May I take this opportunity to thank you for all you have done for the Candover Valley Store. You have done such a splendid job for us – wrestling with the Post office contract, with NATwest; with EVO card payments; with our accountancy package Xero, with our till EPOS, HMRC, PAYE and so much more. Thank you for your calm assurance, for your positive attitude and sheer hard work. We wish you, Sarah and the family a safe and happy transition to Winchester and we hope you will keep in touch.

**3. Audit**

I would now like to report that the CVS committee has recommended that we dispense with an audit of the accounts (as we are entitled to do).

Please may I therefore ask for someone to propose the resolution:

**“That the Company should exercise the power given by the Deregulation (Industrial and Provident Societies) Order 1996 not to appoint an auditor for the year ended 30 June 2019”**

**Proposer**

**Seconder**

**Would shareholders only please now vote. Those for the motion. Those against.**

**4.** In the fourth item of business, I am pleased to be able to report that Chris Smith has been co-opted to the Management Committee and stands for election by the shareholders. He has been appointed Treasurer by the committee.

Please may I therefore ask for someone to propose the resolution:

**“That Chris Smith be and is hereby elected to the Management Committee”**

**Proposer**

**Seconder**

**Those in favour please raise your hands (shareholders only) – those against.**

Chris Smith is therefore duly elected to the Management Committee.

**5. Chairman’s report on the year.**

“Reporting on the accounts for a project as complex as the Candover Valley Store can be quite challenging – particularly when the project covers more than one financial year. The committee felt that as shareholders you would want to know answers to some fairly straightforward questions. How much did the project cost? How much money has been raised? Did the build come in on budget and what are the figures looking like after the first five months of trading?

So to help give you the answers to these questions let me recap briefly on all we have achieved in the last 12 months.

At the end of the accounting period last year (ending 30 June 2018) – we reported that we had raised £69,200 through donations; £35,660 through the share offer scheme and were in the process of securing grant funding. From 1 July 2018 to the end of June 2019, we continued the fund raising process – raising an additional £5744 through donations and £14,160 through the share offer scheme (giving us 254 shareholders in total). A magnificent £116,713.75 was also raised from grant funding. (Some of this grant funding was received into our account during this accounting period and some subsequently).

By October 2018 we had secured the funding required for the construction of the store and agreed a 25 year lease for the land, so having selected our chosen builder after a formal tender process, CPFM Construction started on site on 5 November 2019. (If you were at the AGM last year, you may remember that Christian has already dug and laid the foundations!)

On 26 January we held an open morning in the Village Hall to show everyone progress so far, gather volunteer support and invite suggestions for what to stock in store. On that occasion you may remember that Christian was pouring the concrete for the floor. On Saturday 23 March we held our first gathering of volunteers to talk about the role and duties of volunteers and how the rotas might work. If you came to that – you may remember climbing up into building (before there were any steps) to admire the interior!

On 26 April (when we had some steps) - we held a shareholders’ drinks reception in the empty shell of the store to thank everyone for their support and to allow everyone to get an idea of what the store would look like (before we started filling it up with fridges and freezers). One week after this shareholder reception, the committee received the formal handover of the store from Christian the builder. This was slightly behind schedule – due to the additional works that were required fitting the counter and the external ramp.

During the construction process, many set-up activities took place with a successful recruitment campaign leading to the appointment of our wonderful manager (Garry Green) and assistant manager (Emma Simpson) who both started their employment in April. We continued to seek volunteers ready for when the store opened and were most grateful to Jane and Rob Marks for allowing some volunteers to gain experience of post office and counter work in Canterton Stores. We spent time researching and costing the fit-out of the store and coffee area, selecting fridges, freezers, tables, chairs, shelving, display crates, point of sale till, card reader, mugs, teapots, cake domes, door mats, baby changers, waste bins etc as well as the most expensive, state-of-the-art bean to cup coffee machine we could afford. With Garry and Emma on board, we started to develop a supplier and stock list. We wrote policies and procedures necessary for the smooth running and operation of the store. We took out appropriate insurance cover and applied for the required alcohol licences and approvals. We struggled with BT and Openreach and finally got the required phone and broadband connections for both the store and post office up and running.

After the handover of the store at the end of April, a stalwart band of volunteers then continued the fit out of the store, painting, decorating and plumbing, installing the coffee machine, the fridges and freezers, all the gondolas and shelving and getting the counter just where Garry wanted it!. While all this was going on, the committee which had been in negotiation with the Post Office since November 2018 signed a contract to allow a new post office local to open when Canterton Stores closed. After a hectic period of fitting out and stocking in late May, installation of the equipment and training by the Post Office in the first week of June, the store opened for trading on Monday 10 June and the post office opened on Tuesday 11 June.

**Cost of the project**

So what has the project cost?

If you look at the additional piece of paper you have been given – look at the figures below the graph, these show the actual project costs (on the right hand side) against the budget (on the left).

The main contract came in at £139,928 – slightly more than the £135,000 original contract. This overspend was due to additional items such as work on the soakaway, shop counter and external ramp that were not included in the original contract.

The fit out costs (for shelving, flooring, counter units, coffee machine, electronic till, fridges, freezers, tables, chairs, mats and mugs, telephones and everything else down to teaspoons, came to £35, 686.67 – a little more than we originally budgeted for. If you add together the main construction contract with costs for the fit out and the professional fees, planning permissions, CCTV equipment, provision of services such as water, electricity and comms, light fittings, payment to the Village hall for use of the car park, the total project spend comes out at £213,585.86. Add to that £20k of working capital needed for items such as salaries and stock and the bill comes to £233,585.

**How have we paid for this?**

We raised a total of £240,353.75 through a combination of shares (£49,820); donations (£73.820) and grant funding £116,713.75).

This means we come out of the project with a surplus of £6767.90

And that I hope you will agree is no mean achievement!

Many thanks to all who have made this possible – to all our grant giving bodies, to all our generous donors and shareholders, to Lord and Lady Sainsbury, to Michael Maxwell and Paul Sadler of Preston Farms, to our architects Pro Vision, and lighting designer Nicholas Engert, to Christian McCabe our builder, to our indefatigable project manager Charles Bradshaw and to our grant collector extraordinaire Lucy Muncey and to our amazing DIY volunteers Keith Laws, Geoff Ellett, Ron Bligh, Richard Walker, Peter Phillips and Adrian Emck and Nick East. Thanks are also due to many others who gave so freely of their time and expertise (Carol Ward, Chris Smith, Bill Davidson, Anneke Pettenburger-Perwald, Rob and Jane Marks, David Chattell, Fran and Judy Bradshaw). We could not have done it without any one of you and I make no apology for thanking you all over again!

**The first five months of trading**

So we built the store, we fitted it out and we opened it.

Our formal accounting period takes us to the end of June and the first three successful weeks of trading. But we can’t leave the story there without bringing you up to date. We hope you will be keen to know how we are doing.

We are delighted with how well the store has been received and we have made a very good start – trading above our target objectives every week since we opened 5 months ago. You may be interested to know that our first week remains our best ever when we took an astounding £5205.81. But I am delighted to advise that last week we nearly beat that record taking £5110 in 789 transactions!

If you look at the graph on your piece of paper.  This shows our net takings ex VAT (taken from Epos) – these are the wriggly brown line vs our original business plan forecast budget.

As you will see, we are currently trading around the levels set for Year 2 High or Year 3 Low in our business plan. It doesn’t show our profit, our Post Office commission or our costs which we know are higher than originally budgeted.

If we can continue to trade at the levels we anticipate over the next 8 months, we anticipate making a slender profit. Under the rules of Candover Valley Community Store Ltd any profits made will, once sufficient reserves are established, be reinvested into our community enabling us to fund and support other village projects. That being said, for the first few years of trading, we will need to build up our reserves to enable us to repair and replace equipment when necessary. **So by choosing to shop with your local community store, please remember that you are not only supporting the viability of this valuable community asset but building up reserves to support future community projects.**

**So what are our plans for the future?**

We will continue to build our business over the forthcoming year. The next 12 months will also be a period of consolidation as we learn from our early months of trading and adapt to our customer feedback.

Garry Green, will continue to work on our product list and expand our range of local produce. We currently have 25 local suppliers on board, providing locally produced bread, eggs, jams, jellies,, gin, craft beers, ciders, frozen ready meals, smoked salmon and trout products, apple juice, cheeses and flowers. We will continue to respond to customer demand stocking new product lines in response to particular requests – with everything from golden syrup, vegan mayonnaise and smaller size tins of baked beans all now being catered for. As a community store we are here to serve the community and reacting to customer demand is an important factor in this.

Our coffee machine and coffee area are proving popular and we have a regular rota of home bakers who produce delicious home-made cakes for us. We have hosted a successful Macmillan coffee morning that raised £242 (the first of many such coffee mornings we hope) and the coffee area has been used for happy gatherings of new parents from both the Pre- School and School as well as by several biking groups. We want to continue to promote our coffee area as a convivial community meeting place.

Since we opened in June, Garry has introduced two panini makers for hot toasted panini and an instore bakery oven producing freshly baked croissants, Danish pastries and sausage rolls. We now also stock three refillable detergent products (washing up liquid, washing detergent and hand soap) as part of our ecofriendly offering. If you have been into the store in the last few days, you will see the store is absolutely bursting with an enormously attractive display of Christmas treats and gift ideas. And from 1st of December we will be carrying a new product line - newspapers.

Our new post office local is also proving very popular. Running the post office is possibly the most complex part of the whole Candover Valley Community Store – and we are so grateful that we have such lovely patient customers who bear with us while we wrestle with the complexities of the Horizon home screen and the myriad post office directives. When we started in June – our post office commission which is based on the number and type of transactions handled was £105 per month. Three months later in September – our commission had grown to £412 per month. We certainly hope we can continue to improve on that in the coming months.

**So to conclude**

We are proud to have built, equipped, stocked and opened a brand new community store. We are delighted that it has been so well received by our customers and stakeholders and we are thrilled that our first months of trading have been so successful. We are so grateful to have secured the services of our wonderful store manager Garry and assistant manager Emma and to be able to call upon the invaluable assistance of more than 50 volunteers who give so freely of their time to keep the store running whether it is serving in the store, picking up vital supplies or looking after the fabric of the building. We are truly fortunate to have so many, loyal, supportive customers. We are indeed ‘community made”

1. That concludes the business of the meeting – but the committee will be happy to answer any questions about the progress of and plans for the Candover Valley Store.

**Questions from the floor**

**Thanks**

“It’s time to wrap up this AGM. Before I do, may I say just two more thank you’s. I must thank all the members of the management committee. Charles, Richard, Chris, Lucy, Carolyn, Nevil, Alison and Jane (Ballard) – you have worked so hard over the last 12 months giving so much of your time, energy and enthusiasm to turn the vision into a reality and make this project happen. Looking back over the year – I can hardly believe that we have come so far and achieved so much. Well done to you all and thank you for all you have done. I am proud to be part of such a great team.

And finally thank you all for coming tonight – and for all your support over the past year. Thanks to you, we have a wonderful new community asset – a vibrant new store and post office, a warm and welcoming place to come for a coffee and a chat. As I said at our official opening in June, our new community store is for everyone - we want you to use it and enjoy it and we thank you in advance for your continuing support in the coming year.”

Jane Laws, Chair, Candover Valley Community Store Ltd