

# **MINUTES OF THE ANNUAL GENERAL MEETING OF CWMNI CYMUNEDOL CLETWR ON SUNDAY 6 OCTOBER 2013 AT LLANFACH HALL, TRE TALIESIN**

**Attendance:** Directors of Cwmni Cymunedol Cletwr, new members and general public

**Welcome:** Attendees were welcomed to the first AGM of the company by Shelagh Hourahane, Company Chairperson.

**Apologies:** Apologies were received from Mike Indeka (Company Secretary), Irene Galant, Suzanne Brooks, Sylvie Fombonne, Beti Jones, Morgan Tomos, Anna Wilmot, Sue Colbeck, Louise Halestrap.

## **AGM Business:**

**Chairpersons Report:** The Chairperson's report was read and accepted. (Attached)

**Financial Statements:** The treasurer presented the draft annual accounts for 2012-13 and an outline report for May-August 2013. (Attached)

## **Nomination for Board:**

A show of hands vote was taken following nominations received. It is hereby declared that the following people have been nominated to the Board of Directors : Nigel Callaghan (Director) and Ian Mitchell (Treasurer).

The following members will remain on the Board of Directors:

Shelagh Hourahane (Chairperson)

Jane Burnham

Tom Cosson

Marie Hockenhall Smith

Mike Indeka

Sylvie Fombonne and Mark Richardson were both elected to the Management Committee.

## **General Business:**

- Shelagh advised that many attendees were also being asked to complete membership forms. She explained that Cwmni Cymunedol Cletwr is the legal body formed for the purpose of running this project to re-open the Cletwr site for the benefit of the community, and she gave details of the current company structure and responsibilities. One of the aims of this AGM was to confirm the current five directors, and enrol new directors.

- The company structure now comprises two main groups – a shop management group involved with the running of the current business, and a capital development group who are charged with handling the next stage of development.
  
- Open discussion on general issues then followed. Some members asked for clarification of the position regarding whether selling petrol would be part of future plans. The pros and cons were discussed, including the relative costs of re-commissioning and decommissioning the petrol station, the capital needed to invest in stock, the maintenance and insurance issues, and the ability of the company and volunteers to operate the petrol business. However, the key point was that the advisors from the Big Lottery Fund had advised that selling petrol was likely to render the project outside the scope eligible for public funding under State Aid rules, since the services would be in competition with an existing commercially-run petrol station in the vicinity.
  - Nevertheless a motion was proposed that the Company investigate the options further before coming to a decision.  
*That the Company investigate further the viability of re-opening the petrol services*  
Moved: Nigel Callaghan  
Seconded: Teresa ? / Joanne Humphries
  
- A vote of thanks was made by Sian Saunders to those who had invested time and effort in the project and brought it thus far successfully, and the meeting was closed.

**Meeting closed at 17:00**

## CHAIRPERSON'S REPORT

### 1. Welcome to first AGM

- Thanks to all volunteers, staff, supporters and customers
- Report on behalf of the Board of Directors of the company

### 2. The Company

- A Management Committee was set up as an ad hoc group in November 2011 following a public meeting called by Huw Lewis, owner of the Cletwr
- Cwmni Cymunedol Cletwr was incorporated as a company limited by guarantee and a social enterprise in March 2012
- There are currently 5 Directors and 2 people who have indicated that they will become directors
- The Management meetings include people who are directors of the company and members who are not directors
- The management structure is under review but it will include:
  - A sub group dedicated to the current business of the shop and cafe
  - A sub group dedicated to taking the Capital Development project forward

### 3. Purpose of the AGM

- To regularise our governance:

- By signing people to become members of the company
- By confirming the existing Board of Directors
- By enrolling new directors
- By enrolling new members of the Management Committee
- Directors will gradually stand down and be replaced so that over 3 years, to October 2015 all the original members will have stood down or have stood for re-election
- To present a report on progress of the company and our project
- To present a report on company finances
- To deal with any other necessary matters

## 2. Background

By early 2012 we had already undertaken a community survey to establish the need for the proposed community business and support for the reopening of the Cletwr Services

The remainder of 2012 was spent in:

- Building the profile of the project and increasing its support among the community
- This included running a Visitor Survey which was a focus at the successful Open Day in April 2012
- Establishing a financial basis through obtaining donations, holding a raffle and other fund raising events

- Building the volunteer and supporter base

### Autumn 2012 - Spring 2013

- Negotiations began to lease part of the Cletwr on a temporary basis to run a 'pilot project' - Siop and Caffi Cynfelyn. This was signed in early March 2013
- Through the goodwill of Huw and Sue Lewis, owners of the Cletwr, we have rent free use of the shop/cafe until January 2014 when we will start to pay a rent
- This was made possible because of our successful bid to the Lottery Village SOS programme for over £48,000. In addition we secured funding from CAVO (Ceredigion Association of Voluntary Organisations) to buy office equipment

### Opening

- March to May was frenetic period of activity to:
  - Make good the premises
  - Buy and install fittings
  - Appoint part time managers
  - Order stock
  - Set up the Reverse Credit Scheme that gave us money up front to buy stock
  - Publicise/market the business

- Train volunteers

May 3rd 2013 - opening day - hugely successful

## The Summer

- The summer was very successful - building of customer base and income
- A fluctuating number of volunteers - never enough. This continues to be one of our problems
- Regular volunteers have survived a steep learning curve, especially in working the complex till system, using a daunting coffee machine and dealing with inadequate equipment.
- The paid staff have been inspirational and dedicated
  - Kate Fenhalls left the team after a couple of months
  - Karen Evans, helped by Lowri Jones and Kate Sullivan have worked well beyond their contractual obligations to make the business a success

## Developments

- A recently acquired grant from Ceredigion Micro Business Investment Fund will enable us to replace out of date cafe equipment and buy additional equipment. This will allow us to extend the food offer in this autumn
- The big news in June was that we were awarded a Lottery Capital Development Grant as part of the 'People and Places' process. This means that we are now undertaking a complex process of:
  - Employing an architect to develop a design for the Cletwr

- Sorting out various statutory obligations and surveys related to the building and site
- Applying for planning permission for redevelopment
- Re-affirming support within the community (another survey this autumn) and from potential partners
- Finding and applying for funds to supplement what we hope to get from the Big Lottery
- Developing the Business Plan
- Making the final application to the Lottery
- To continue to market the project through the newsletter, website, Face book and local publicity

## TREASURER'S REPORT

Tom Cosson provided an overview of the Company's draft accounts for 2012-13 (the set-up and pre-trading phase) followed by an analysis of performance since opening on 2 May 2013. He observed that the Draft Accounts had yet to be finalised.

Key capital costs in the period to 30<sup>th</sup> April 2013 were as follows:

Expenditure	£	Main Income Source
Fixed assets – computer equipment	1,233	CAVO
Fixed assets – EPOS system	4,868	Village SOS
Fixed assets – shop display units	6,665	Village SOS
Fixed assets – refrigeration units	2,779	Village SOS
Stock	5,298	Reverse credit
<b>TOTAL</b>	<b>20,843</b>	

Expenditure	£	Main Income Source
Advertising and marketing	2,604	Ceredigion County Council; Village SOS
Repairs and maintenance	2,677	Cronfa Eleri
Repairs and renewals	2,114	Cronfa Eleri; Village SOS
Fees and subscriptions	1,248	Donations/ fundraising
Professional fees	1,533	Donations/ fundraising
Salaries	1,325	Village SOS
Other	1,959	Donations/ fundraising
<b>TOTAL</b>	<b>13,460</b>	

Key revenue costs in the period to 30<sup>th</sup> April 2013 were as follows:

A summary of grants received was provided:

Grant	Initial Amount £	As at 30/04/2013 (after start-up costs) £	Expenditure 01/05/2013 – 31/08/2013 £	Remaining as at 31/08/2013 £
CAVO	1,884	3	0	3
Cronfa Eleri	3,500	399	61	338
Village SOS (revenue)	26,645	23,614	11,356 (mainly salaries)	12,258

Village SOS (capital)	19,273	6,569	2,557 (mainly shop display units)	4,012
Ceredigion County Council	738	0	0	0
<b>TOTAL</b>	<b>52,040</b>	<b>30,585</b>	<b>13,973</b>	<b>16,612</b>

A draft Balance Sheet was provided:

		31/08/2013	30/04/2013	Comments
<b>ASSETS</b>		£	£	
	Fixed Assets	15,901	15,048	Fixtures, fittings, comp. equip.
	Stock	7,000	5,298	Partially funded by reverse credit
	Cash	12,248	20,597	
	Debtors	54	6,655	
<b>TOTAL ASSETS</b>		<b>35,383</b>	<b>47,599</b>	
<b>LIABILITIES</b>				
	Grant	(16,607)	(30,580)	Unspent grant
	Creditors	(16,992)	(18,890)	Grant spent on fixed assets; reduces over 5 yrs to match cost
<b>TOTAL LIABILITIES</b>		<b>(33,599)</b>	<b>(49,470)</b>	
<b>TOTAL NET ASSETS</b>		<b>1,785</b>	<b>(1,871)</b>	

Figures on Profitability in the post-trading period were then presented:

	01/05/2013 – 31/08/2013	Comments
	£	
Sales	48,851	
Cost of sales	(36,198)	Cost of stock sold
Gross profit	12,653	
<i>Implied mark-up</i>	35%	
Grant income	11,623	Released to match costs
Donations	15	
Admin expenses	(20,890)	Includes £13k salaries
Net operating profit	3,401	Before interest and tax

Using these figures Tom had sought to extrapolate future profitability of the business. The key points were that while the company was currently reporting a monthly profit, given that grants currently covering staff salaries would come to an end in early

2014, there would be an estimated shortfall of around £400 per month between income and outgoing. It was crucial that this was tackled, by a combination of reducing outgoings, and increasing turnover and margins. Outgoings were currently:

	<b>Forecast monthly cost</b>
Salaries	2,200
Rent, rates and water	450
Heat and light	250
Consumables	200
Professional fees	100
Postage, stationery, and printing	80
Insurance	60
Other	260
<b>TOTAL</b>	<b>3,600</b>

To close this forecast deficit the following savings and/or increased sales would be required:

	<b>Cost reduction</b>	<b>Sales increase</b>
Monthly cost saving required	400	
Gross profit required to cover costs		3,600
Implied sales (35% mark-up)		13,900
Increase over current sales levels (14%)		1,700