

FITTLEWORTH COMMUNITY SHOP LIMITED

2019 AGM

CHAIR'S REPORT

1. We would like to welcome you to this second AGM of Fittleworth Community Shop Limited.
2. We will be reporting on the second accounting period of Fittleworth Community Shop Limited – which is the period from 1 September 2017 to 31 August 2018. This period therefore covers the time prior to the shop's opening when we were constructing the wonderful building which we are so fortunate to operate from. We would also like to provide you with a brief update on the period since September 2018 and on our plans for the year ahead.

1 September 2017 to 31 August 2018

3. Our 2017/2018 accounting period spans the period when we finished raising the necessary finance and moved to the construction phase. Some of the key activities from the formal reporting period are as follows:

- The late part of 2017 was spent completing our fundraising activities, leaving no stone unturned in our quest for grants and funding from donors. At the time of our last AGM in January 2018 we still faced a small shortfall of just under £13,000 towards our target of £403,000 for the combined shop and playground projects and a key focus of that meeting was asking our shareholders and supporters to rally round and donate towards that final sum. And rally around the village did! Within days of that shareholders meeting we had secured pledges for all of the remaining sum outstanding
- During the previous year we had conducted market research about the viability and sustainability of community shops. This market research continued with a change in emphasis to looking at the day to day practicalities of running a successful business, and the Management Committee in contact with a number of other local community shops. We have found the support and advice from other community shops and the Plunkett Foundation invaluable
- We continued to put in place the necessary paperwork, agreeing with the Parish Council the formal terms on which we lease the land on which the shop has been built. The Parish Council has played an important role in this project from the beginning and we are grateful to them for their continuing support of the shop. Insurance was taken out and we applied for our premises licence to allow us to sell alcohol
- With the necessary funding in place we were ready to start. A wonderful buzz around the village was created when the builders moved in on 26 March 2018 to commence construction. We had engaged Agincourt Contractors Ltd after a formal tender process and have been delighted by the professionalism and support of Agincourt throughout the project. With Mick's daily oversight of the build (rarely a day away from the site during the 5 - month build!) we completed the build not only on time but within budget – which we understand to be a rare achievement in today's construction world and something that we are rightly proud of

- Many have complimented us on our beautiful building (designed by our architect, Richard Atkinson, a previous village resident) commenting on how well how it sits within its setting and its natural charm
- Whilst Agincourt were busy bricklaying and fixing roof tiles in place, the Committee were flat out ensuring that the inside of the building was just as beautiful and functional as the outside. We poured over paint colours, considered counter top material options and researched every item of equipment needed. Our shelving, display tables and counters were designed to meet our specific requirements and we spent many hours getting the layout just right. We constructed cut outs of the counter top to work out just how many cake domes to purchase and precisely where the till should be located. We designed the kitchen layout, then redesigned it and worked on it some more until we felt we had the optimum layout of equipment and space. We employed a lighting consultancy and took advice on the appropriate fire protection measures. We researched till systems, eventually deciding to invest in the market leading EPOS system we have installed. And amongst the endless list of chiller specifications and dishwasher options we had some fun with finishing touches such as our much - admired copper lights and pick n mix sweet selection
- The fit out was an enormous task in itself but at the same time we also had to consider the practicalities of how a shop and café should actually be run. We researched and put in place the processes and procedures necessary for our shop and café to run efficiently and effectively. We worked up our café menu, looking to create a suitable and enticing range of items that we could prepare within our kitchen area, with our guiding principle of providing high quality freshly prepared food at affordable prices. We set ourselves an aim of providing a high - quality hot meal for under £5. We talked with various caterers and food suppliers and were fortunate to find Kate Knight who, through her catering company K&J Catering, provides much of the freshly prepared food that we use in our café. We also investigated the guidelines on the preparation and storage of food to ensure we had appropriate working standards to gain us the highest food hygiene rating
- We owe a special thanks to Matt and Laura from the Honeybee Coffee Roastery for their huge support of our venture. From selecting the perfect size and make of coffee machine, assisting in plumbing it in and getting it up and running to educating our team about the art of making coffee they have been there with us from the beginning. Our staff and volunteers were trained by Matt, who also gave hours of his time over our first week of trading simply being on site and on hand to ensure that we could all make a proper cup of coffee
- The initial stock list for the shop was developed and refined over a number of months. We were keen to ensure that the stock reflected what we had promised to the village and what we had been asked to provide - a wide range of groceries at affordable prices supplemented by local produce. This meant a core range of product items sourced from a number of the larger wholesalers formed the basis of our stock list. A certain amount of guesswork was involved as we tried to work out, amongst other things, just what breakfast cereals would the village want, just how much of a demand would there be for chocolate and what are the best- selling brands of tea bags and washing liquid. Many happy hours were then spent researching the vast range of local produce on offer within Sussex. We diligently sampled much of what was available to pick the best for the shop and café. On opening we stocked produce and crafts from over 20 local suppliers, many within a 10 - mile radius of the shop and we are incredibly proud that we can support local businesses in this way. As a result, this blend of basic groceries and local produce has created a unique shopping environment

- Staffing was a vital consideration during this period. Our Business Plan had always assumed that we would employ a full time Manager and full time Assistant Manager and in May 2018 we launched our recruitment campaign. We interviewed the strongest candidates and considered ourselves fortunate to have secured Sarah as our Manager and Toni as our Assistant Manager. They have been committed and valued members of the team, frequently going above and beyond to help us create the shop and café we have now
- Of course, you couldn't run the shop and café without our wonderful team of volunteers and the later part of this reporting period was spent on recruiting our team of helpers on whom we rely. Many of you here tonight are here as our shareholders but also support us through volunteering and importantly by being our customers
- Throughout all of this activity we kept you informed through our monthly newsletters, monthly features in the parish magazine and through regular updates on our Facebook page. At the end of this period we also launched our new website for the shop – www.fittleworthstores@outlook.com which enables us to publish a greater volume of information than was previously available through the village website. Thanks to Kerry Coughtrey who has continued to support our social media postings with creative imagery, sets out our newsletters and has created our new website

September 2018 to date

4. Our formal accounting period takes us to September - with only a month to go until opening. We can't leave the story there without bringing you (briefly) up to date. September was spent in a flurry of activity with many long hours spent getting the necessary equipment installed and stocking the shelves. We opened with close to a thousand product lines on the shelves and it took a huge amount of man hours by Sarah, Toni and the wider Management Committee to get all these lines listed on the EPOS system and onto our shelves.

5. Many had an advance look at what had been created, coming along to our shareholders and investors preview evening in early September. We carefully organised the evening for when the core shelving and display units had been installed but before our stock and finishing touches went in so as not to deprive you all of the full wow factor on our opening in October. Volunteers came in for training sessions later that month, many with some trepidation at the thought of getting to grips with the till system and the, frankly terrifying, gleaming new coffee machine.

6. On 1 October we opened – actually slightly ahead of the 15 October date we gave as the target opening date at our previous AGM. It was with much excitement that we opened the doors that morning. We hoped the village would be curious to see what was inside and you did not disappoint, visiting in droves that week. Many of you visited multiple times and some of you even managed multiple visits on the same day! It tested our staff and volunteers to the limit as we struggled to get acquainted with the finer details of the till and card machine and to put into practice all our new-found knowledge as to the correct angle at which to tilt the milk jug to produce the perfect flat white. Fortunately, our customers were patient with us as we struggled to cope with the huge queues. Our first week remains our best ever – we took an astounding £7,883 in our first seven days of trading.

7. Saturday 6 October saw our official launch party. A poster competition was run at the Village School to design a poster for the event and the winner, Benjamin Nodding, came to cut the ribbon to formally open the shop. We had hoped to be joined by Ron Thatcher as one of the oldest residents of our village and as our special guest of honour but sadly illness prevented Ron from joining us that day. The weather was not kind to us – our plans for a garden party type event with trestle tables of

cream teas outside on the terrace somewhat curtailed by the hours of torrential rain we experienced that day. We were concerned that everyone might stay at home but again, you did not disappoint. The afternoon instead became an exercise in seeing just how many people we could fit inside the shop in one afternoon and was a wonderful occasion of the village coming together to celebrate a milestone in its history.

8. We continue to work on our product list and have expanded our range of local produce with now around 30 local suppliers on board. We respond to customer demand stocking many new product lines in response to particular requests, with everything from bars of soap to ginger wine, favoured brands of tobacco to smaller size tins of baked beans now all catered for. As a community shop we are here to serve the community and reacting to customer demand is an important factor in this.

9. Our café menu has also had an initial review with some immediate changes introduced, such as a range of toasted sandwiches to meet customer demand. We added Christmas specials throughout December and are looking to introduce jacket potatoes shortly. Our menu will undergo further review as we head into spring.

10. We were so busy in our opening weeks that it became clear we would need more staff to enable us to operate effectively. Our Business Plan had always assumed that we would take on a number of paid teenage staff during year 1 to provide cover over weekends when volunteers were understandably less keen on coming in to work shifts. So, we have recruited 4 teenagers (3 from within our village and one from further afield) who cover the weekend hours between them, providing them with useful work experience skills and a small income. We are also keen to support our youth more widely, happy to provide work experience to youngsters taking their Duke of Edinburgh Awards or participating in similar schemes. We are already providing work experience to two young individuals who are looking to gain skills before looking for employment.

11. In addition to our band of teenagers, we recruited a third paid member of staff. Wendy Maskell joined us in November, working part time doing 3 days a week with us and where necessary more to cover absences from other members of staff.

12. We have recently been inspected by the Environmental Health team and were thrilled to be awarded a 5 star rating under the Food Hygiene scheme, the highest rating that can be given.

13. Villagers have always been keen to see a post office within the shop and we have been in discussions with the post office for some time about the possibility of incorporating a post office local within the shop. Following a gruelling interview and selection process (we were told we were some of the best candidates ever interviewed!) the Post Office agreed to award us a contract and our new branch has just opened. This will provide an invaluable service to the village (and to those in the surrounding area) providing not just postal services but banking too.

14. As you know, we were very successful with grant applications. The process of claiming our grant monies can often be complex and involves much form filling (just like the original applications). Some of our final grant payments are only just now being received. With these final sums we are looking to purchase a number of final items – including seating for outside in anticipation of the warmer summer months ahead and signage for the shop. We hope to get these items in place over the next 6 months.

15. Our initial trading figures have been encouraging, with a turnover in excess of that assumed in our original Business Plan. Mick, as our Vice-Chair and Treasurer, will take you through the figures in his report. Our Business Plan targets breaking even during year 1 – and we believe this or a small

profit can be achieved if we trade at the levels we anticipate over the next 9 months. Under the rules of Fittleworth Community Shop Ltd any profits made will, once sufficient reserves are established to enable us to repair and replace equipment when necessary etc, be reinvested into our community enabling us to fund and support other village projects. So, when considering whether to buy that extra pint of milk you need or that last minute gift from Tesco or our community shop please remember that by continuing to shop with us you are not only enabling this vital village resource to remain in place but will also be supporting other worthwhile village projects.

16. Our first Christmas has been highly successful. December saw increasing sales with our range of Christmas stock and gifts boosting sales in the shop. The week before Christmas saw a turnover of £7,593 from the shop and café. We celebrated our first successful few months with Christmas drinks for our staff and volunteers at the Swan Inn.

17. We will continue to look 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 shareholder and customer feedback. In addition, the community elements will continue to be at the heart of what we do. We are looking to encourage the use of our café space during quieter periods by community groups, such as knitting circles etc and to forge links with our local community. We would like to ensure that food is not wasted but is directed to food banks or those in need locally.

18. You may have seen the announcements this week about our staffing. Sadly, our Shop Manager, Sarah, has resigned in order to spend more time with her young son. She will be leaving us in mid - February. We will be sorry to see her go but understand her reasons for leaving. She has been a hard -working and committed member of the team so we thank her for all she has done since starting with us. We are delighted that Toni, who currently is our Assistant Manager, will take on the role of Manager when Sarah leaves us. We are currently recruiting for a replacement Assistant Manager.

19. Finally, I must thank all my fellow members of our Management Committee. They have given up so much of their time, energy and enthusiasm over the past year to turn our vision into a reality. We have all been on a steep learning curve frequently encountering new challenges. You will have a feel from my report for the huge amount of work that has taken place over the last 12 months. So, a very sincere thank you to you all for all that you have done.

Alison Welterveden