

# **New Galloway Community Enterprises Ltd**

## **Minutes of the Annual General Meeting of Members 1<sup>st</sup> March 2018 New Galloway Town Hall**

### **1. Welcome and introductions.**

Chair Mike Brown welcomed all attending and thanked them for the excellent turn-out. The members of the management committee and the staff attending (see below) were introduced.

### **2. Attendance.**

#### **Members present:**

Lois Aikenhead, Ian Bigger, Avril Bridgeman, Ray Bridgeman, David Briggs\*, Marion Briggs, Mike Brown\*, Janet Carlyle, Thomas Carlyle, Roland Chaplin, Gerry Cinderby, Nicky Cruickshank, Sue Curtis, Tim Curtis, Alison Davies, Richard Davies, Sheila Dressler, Brian Edgar (also representing Glenkens Community and Arts Trust), Margaret Elphinstone, Andrew Frew, Linda Garrety, Catrin Jones, June Hay, Emma Harnett\*, Gordon Hill, Ros Hill, Helen Keron, Sarah Lane\*, Tom Leach, Wendy Leach, Terence Logan (also representing New Galloway Angling Association), Shona McKenna, Niall Mackie, Jean Marsden\*, Katy Nash, Richard Nash, Christine Rankin, Carol Salsbury, Dawn Spernagel\*, Maybelle Thomson, Andrew Walker, Joan Walker, Margaret Watson\*  
[\* indicates member of Management Committee]

#### **In attendance:**

Lynsey Hogg, General Retail Manager  
Helen Keron, Project Manager  
Jacqui Morton, Shop Assistant  
Sam Rushton, Community Engagement Worker

#### **Apologies were received for the following members:**

John Barker, John F Crallan, Ann Errington, Sharon Fishwick, Liz Lewis, June Nelson  
John McCubbin, Jimmy McKenna, Jim Ranyard, Gavin Rushworth, Alan Smith, Mary Smith.

#### **Proxies were received for the following members:**

Adaline Avely, Brenda Cinderby, John F Crallan, Irene Dawson, Rosalind Elphinstone, Paul Garrety, Audrey Grieve, Beryl Hamilton, Mandy Kennedy, Simon Kennedy, Pamela Lane, Paul Lane jnr, Paul Lane snr, Jon Nimmo, Teri O'Loughlin, Maitland Rankin, Maureen Scott, Ralph Spernagel, Margaret Walker

### **3. Adoption of the Minutes of the AGM of 3rd November 2016.**

Adoption of the Minutes of the AGM of the 3<sup>rd</sup> Nov 2016 was proposed by Marion Briggs, seconded by Linda Garrety and passed without comment.

#### **4. Adoption of the Minutes of the SGM of 30th March 2017.**

Adoption of the Minutes of the SGM of the 30<sup>th</sup> March 2017 was proposed by Ian Biggar, seconded by Terence Logan and passed without comment.

#### **5. Chair's Report on the year 1st October 2016 to 30th September 2017.**

It comes as a surprise to recall that when the year started on 1<sup>st</sup> October 2016 we were in a state of great uncertainty. Five weeks earlier, on 25<sup>th</sup> August, we had submitted our bid for funding to the Big Lottery Fund's 'Growing Community Assets' programme. Six months of hectic activity by our project manager, Helen Keron, professional consultants, Board members and local supporters had produced an imaginative and innovative application and a 90-page Business Plan. We were told to expect a result by the end of 2016.

In November 2016 we held our first AGM, which was attended by 22 Members (shareholders). Considering we had at that time only 80 Members, we found this encouraging.

At the end of the same month the Assessor from the Big Lottery Fund (BLF) came to New Galloway to review our application in an exhaustive three-and-a-half hour meeting. He was particularly impressed by the evidence of community support we were able to demonstrate and the thoroughness of our preparation of operational policies.

Our Assessor also revealed a few surprises:

- the 'Growing Community Assets' programme was seriously oversubscribed and our chance of success was 'around 50%' .
- even if we were successful, we would only get the money if we demonstrated the scale of support by raising a further £20K in shares ourselves and increased our membership by 100, with at least half the total living in the community.
- minor amendments must be made to our constitution (Rules)
- and we would not be hearing a result until February 2017!

When the BLF announced further postponements to February and then March, the NGCE Board decided to save time and go ahead with a Share Offer, inviting supporters to pledge to buy shares in the event of a successful outcome. We received financial support and expert advice from Community Shares Scotland (CSS) and the Plunkett Foundation, which financed the attractive brochures designed by Martha Schofield of Corsock.

The launch of the Share Offer on 12<sup>th</sup> March 2017 saw a large number of people attend an afternoon tea in the Town Hall, with entertainment provided by local musicians of all ages. On the advice of CSS, we set a six-week time limit to the launch with a closing date of 28<sup>th</sup> April 2017. As the pledges rolled in, others offered fund-raising events. Local Scott Joplin expert Jim McPhee staged a ragtime concert in the Town Hall, and on the final night of the appeal, David and Marion Briggs, owners of the Smithy tearoom, staged a fundraising dinner, 'Out with a Bang'. The two events raised a further £1,600.

Shortly after the launch, on 22<sup>nd</sup> March 2017, we were able to announce that we had been successful! Our application to the BLF had been met in full; for the purchase of the shop and house, the refurbishment of the shop and the conversion of the house into self-catering flats, a tapered operational subsidy of the shop, and a full subsidy to support a

Community Engagement Worker for five years, as well as several other initiatives. For all these projects combined, we were awarded a grant of £808,000 over 5 years.

This news, which attracted a lot of publicity, spurred the share offer campaign and by its end we had exceeded our target, with a total of over £24,000 raised by the end of the financial year. We also exceeded the membership target set by the BLF, increasing our membership from 80 to 260. 68% of our Members live in the New Galloway community and 75% in the Glenkens. At a Special General Meeting on 30th March 2017, NGCE's rules were amended to meet the requirements of the BLF.

On May 15th 2017 NGCE instructed its solicitor to purchase Hopkins' shop and house and only two months later, on 14th July, we took possession of the property.

We had already appointed Lynsey Hogg as General Retail Manager with responsibility for the shop and other services, including the letting of the flats as they come on stream. Lynsey, who grew up in Castle Douglas, brings invaluable management experience with prestige food outlets in Glasgow and Edinburgh. Lynsey Hogg, displaying energy and talent and supported by the excellent team of assistants whom she was instrumental in appointing, soon changed the ambience of the shop widened the range of stock, encouraged supplies from local providers and increased turnover.

While the shop flourished, we had advances and setbacks on other fronts. We made a start to recruiting for the innovative post of Community Engagement Worker and by the end of September had set up a rigorous two-stage appointment process involving external experts. At the same time the process of issuing tenders for the refurbishment of the property began to run behind schedule. At the beginning of October 2017, we were forced to dispense with the services of our quantity surveyor and start the process of finding and appointing a replacement before resuming the tendering process.

We have continued to review and strengthen our governance arrangements. We have adopted a policy on Conflict of Interest and set up an Audit, Finance & Risk Committee.

It has been an eventful and at times exhausting year but we have come an astonishing distance from the uncertainty and limbo of 1st October 2016. The launch of the successful share offer, the purchase of the building, the appointment of shop staff, and the opening of our community shop have been landmarks in a remarkable year. We have no doubt that we have already made a difference to the community of New Galloway and beyond.

We are extremely grateful to the Big Lottery Fund for recognising the merits of our application and its potential to enhance the social and economic well-being of the New Galloway community. We received vital support, advice and financial backing from Community Shares Scotland and the Plunkett Foundation.

Jim and Margaret Hopkins were endlessly supportive and displayed great patience and understanding during the protracted process of securing the grant to purchase their shop and house. And we have had the amazing support of the people who live here, have connections here, or feel strongly about New Galloway. Not only did they excel themselves by breaking our share offer target, we have been supported and encouraged by their many expressions of goodwill and readiness to assist with all manner of tasks.

I would like to pay tribute to the work of our part-time Project Manager, Helen Keron, and the volunteer Board members who have been constantly positive and focused in working to achieve our goals. Our Treasurer, Dawn Spernagel, deserves particular mention for her tenacity in managing our relations with a banking industry that can be singularly lacking in customer care.

Mary Smith, one of our elected Members, is standing down from the Board at the end of the current year because of other commitments. She has made a considerable contribution, in particular to the creation of the Community Engagement Worker (CEW) post. I am glad to report that she is prepared to continue to serve on the CEW steering group.

Both our co-optees, Craig Millar and Sarah Lane, are standing down at the end of their terms. Sarah's expertise in employment and recruitment has been immensely useful and she has willingly agreed to continue to provide the Board with support in this field. We hope Craig will prove to be a valued link with the Community Council and LING. We finished the year with great optimism and look forward to the further development of New Galloway Community Enterprises Ltd for the benefit of our community.

## **5.1 Membership Strategy**

It was noted that NGCE now has a Membership strategy in place.

## **6. Update on developments since 30th September 2017 : a look ahead.**

Helen Keron, Project Manager, gave a resume of plans for the renovation work due to start in April 2018. Our new Quantity Surveyors McGowan Miller prepared the Bill of Quantities and assisted with the assessment of the tender returns. The renovation contract for the shop and the self-catering accommodation has been awarded to Luce Bay contractors from Wigtownshire after a competitive tendering process that resulted in 5 returns. In March the shop will be moved to temporary accommodation in Kitty's Tearoom.

The renovation work will take place in two Phases. Phase One will prioritise the shop, the back office (currently the kitchen) and the structural work above the shop front (installation of a dormer window). Although this minimises the time that the shop will be in its temporary premises, it will still take a full 12 weeks, due mostly to the need to fully soundproof and fire protect the shop from the surrounding flats. The shop will then move into the new premises in summer 2018.

The focus of the renovation will then shift to the self-catering accommodation, which will take a further 3 months to complete. This is intended to generate a sustainable income for the village into the long term. In the interest of good governance, NGCE needs first to build up a Reserve fund. Thereafter income will be used for the benefit of the community.

The other strand of the project, apart from the shop and the self-catering flats, is the Community Engagement Worker. Sam Rushton started in post in January and has hit the ground running in pursuit of her objective to enhance the social and economic wellbeing of New Galloway and Kells. Together with our student placement, Janosh Schnee, she is working on an oil buying co-operative for the village, and has many other plans, including getting local businesses to discuss how that can work together.

Helen concluded: “My funding as part-time Project Manager continues until the end of the refurbishment in the Autumn, at which point NGCE will make an important transition from a fund-raising, start-up Society to a fully operational Society that has the staff and governance that it needs to continue into the long term. It warms my heart to see what we have achieved so far, and I’d like to add my personal thanks to all the members of the Board who have given up so much time and effort to make this such a success. Seeing it from the inside lets me see how very committed they all are, and none of this would have happened without them.”

Lynsey Hogg (General Retail Manager) and Sam Rushton (Community Engagement Worker since January 2018) also updated the Meeting on recent developments and forthcoming plans.

## **8. Presentation and Adoption of Accounts.**

The draft accounts were presented to the meeting. Helen Keron (Project Manager) presented the accounts on behalf of the Treasurer and explained that in the course of the year NGCE had 5 main sources of income:

- £24k of shareholder investment
- £6k of gross income from the shop (14 July – 31 Sept 2017)
- £255k of BLF capital grant to cover the purchase of the shop and accommodation
- £21k of BLF capital funds to cover preliminary capital work
- £20k of BLF operational funds to cover the shop subsidy and CEW wages July 17 – Jan 18.

These were off-set against:

- £255k Purchase costs
- £21k of capital expenditure – fridges, EPOS till system, Project Manager, Architectural Consultant, Quantity Surveyor etc.
- Operating cost of the shop and CEW of £33k. Includes wages, electricity, insurance, bank charges etc.

When taking into account shop creditors, debtors and BLF grants / expenditure carried over past the end of the year, this gives an overall position at the end of the year of £6,000 profit – mostly due to shareholder investment.

Note that although NGCE now owns the shop and accommodation, it does not appear in the accounts because the BLF hold the security. If it were to be sold, the proceeds would not go to NGCE, hence it does not appear in our accounts. The fixed assets that we *do* hold are the fridges (tangible) and goodwill (intangible).

Note also that in the 2.5 months of trading to end Sept 2017, the shop made a gross profit margin of 29%. This is unusually high and unlikely to be sustained, but is a testament to the work of Lynsey and the shop team. The weekly average turnover for the same period was £2,100, up about 60% on base levels. Both of these numbers compare well to our Year 1 Business Case assumptions of £3,000 / week turnover at 20% gross profit margin.

**The adoption of the accounts were proposed by Nikki Cruikshank, seconded by Gerry Cinderby and passed without comment.**

## **9. Report on setting up of the Audit, Finance & Risk Committee.**

The Board of NGCE proposed to create an Audit and Finance Committee, members currently comprising

- Margaret Watson (Board member)
- David Briggs (Board member)
- Richard Nash (Shareholder)
- Andrew Walker (Shareholder)

**This resolution was proposed by Tim Curtis, seconded by Carol Sainsbury and passed without comment.**

## **10. Resolution on Auditing.**

The Board of NGCE, with the agreement of the Audit, Finance & Risk Committee, and in accordance with the NGCE's Rules [6.2] proposed the following Resolution:

“This Meeting agrees to exercise its powers under the Deregulation (Industrial and Provident Societies) Order, 1996, **not** to appoint an Auditor to audit its Annual Accounts.”

**This resolution was proposed by Lois Aitkenhead, seconded by Tim Curtis and passed without comment.**

## **11. Election to Board (Management Committee).**

**Management Committee Membership 1 Oct 2016 – 31<sup>st</sup> Sept 2017**

- Mike Brown - Chair
- Jean Marsden - Vice Chair
- Dawn Spornagel -Treasurer
- Margaret Watson - Secretary
- Emma Harnett
- David Briggs
- Mary Smith
- Sarah Lane
- Craig Millar

There are three vacancies. Mary Smith is standing down as an elected Board Member and Sarah Lane and Craig Millar have completed their terms as co-optees.

**The following nominations have been received:**

- Jon Nimmo, proposed Margaret Elphinstone, seconded Lois Aitkenhead
- Christine Rankin, proposed Jean Marsden, seconded Mike Brown
- Joan Walker, proposed Ian Biggar, seconded J.J.Clending

**All nominations were elected unopposed.**

The Board recorded its thanks to Mary Smith, Sarah Lane and Craig Millar for all their help with the project to date, and looks forward to working with them on it in the future.

## 12. Declarations of Interest

### Board Members

- **Dawn Spernagel:** co-owner of 'Love to Eat'
- **David Briggs:** co-owner of the Smithy Tearoom, New Galloway
- **Emma Curtis:** Director, Glenkens Community & Arts Trust
- Director, Good One Ltd
- **Craig Millar:** Vice Chair, New Galloway & Kells Community Council
- Vice Chair, Local Initiatives New Galloway (LING)
- **Margaret Watson:** Director, Glenkens Community & Arts Trust

### Management Staff

- **Helen Keron, Project Manager:** Co-owner of "Love to Eat"  
Director, Glenkens Community & Arts Trust,  
Director, Galloway Glens Partnership, :  
Director, Third Sector Dumfries and Galloway:  
Vice Chair, New Galloway & Kells Community Council  
(until May 2017)

### Operations

- 'Love to Eat' products are stocked in the New Galloway Community Shop.
- NGCE undertakes collaborative ventures with LING and GCAT and hires their facilities.
- The Smithy Tearoom has hosted NGCE events.

## 13. AOB

There was a suggestion that in future there should also be provision to sign in non-members attending the AGM.