

A.C.S.A. Annual General Meeting 13th October 2017



**PROUD
TO BE A
COMMUNITY
SHOP**



Agenda

Welcome and introduction to proceedings - Alun Evans, Chairman

- 1. Approval of the Minutes of the AGM held on Friday 30th September 2016
– Pat McLevy, Committee Secretary**
- 2. Report of the Management Committee**
- 3. Receipt of the Accounts year ended 31st July 2017**
- 4. Election of Management Committee Members**
- 5. Resolution to dis-apply the requirement to undertake a full professional audit**
- 6. Discussion**



Agenda – Item 1

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Agenda – Item 2

Welcome and introduction to proceedings - Alun Evans, Chairman

1. Approval of the Minutes of the AGM held on Friday 30th September 2016
– Pat McLevy, Committee Secretary
2. Report of the Management Committee – John McLevy, Vice Chairman
3. Receipt of the Accounts year ended 31st July 2017
4. Election of Management Committee Members
5. Resolution to dis-apply the requirement to undertake a full professional audit
6. Discussion



Agenda – Item 3

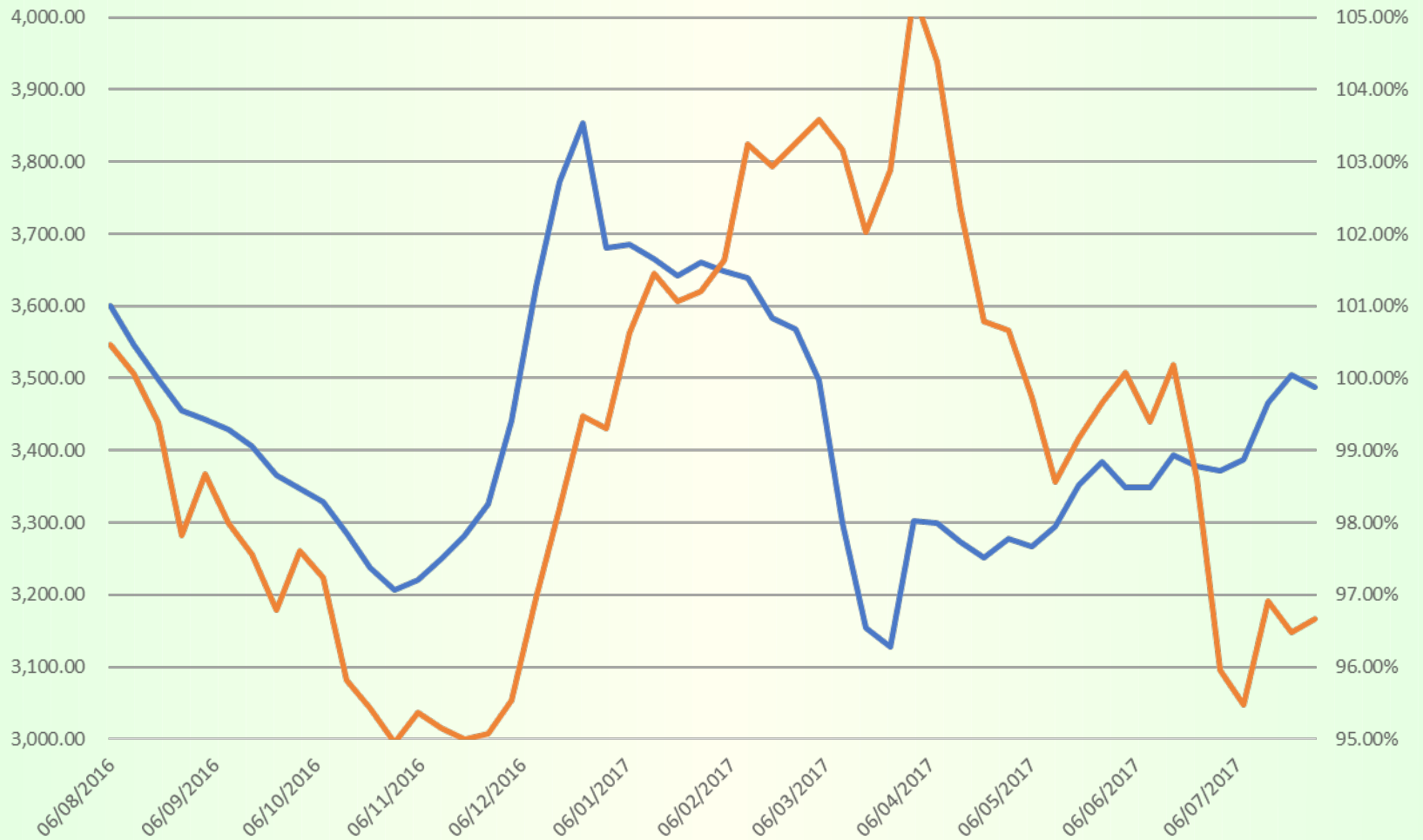
Welcome and introduction to proceedings - Alun Evans, Chairman

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– Pat McLevy, Committee Secretary
2. Report of the Management Committee
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4. Election of Management Committee Members
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Year on Year sales comparison

13wk average sales
%age comparison to 2016





3. Accounts for year ended 31st July 2017 Profit and Loss Account – Sales / COS

	Year to Jul '17	Year to Jul '16	% Change
Income	£170,010	£172,872	-1.7%
Cost of Sales	£135,017	£134,832	0.1%
Gross Profit	<hr/> £34,993	<hr/> £38,040	-8.0%
Gross Margin (%Gross Surplus/Income)	20.6%	22.0%	



3. Accounts for year ended 31st July 2017 **Profit and Loss Account - Expenses**

Main Operating Costs	Year to Jul '17	Year to Jul '16	% Change
Bank & Card Charges	1,379	1,422	
Depreciation	5,160	4,710	<i>NB Non-cash</i>
Electricity	2,791	3,969	New supplier
EPOS	661	567	
Insurance	610	604	
Rent	11,208	11,158	
Salaries	0	1,518	
Shop Expenses	1,837	2,122	
Telephone & Broadband	658	492	
All Other Costs	1,408	1,073	
Total Operating Costs	25,702	27,635	<i>-5.0%</i>



3 .Accounts for year ended 31st July 2017 **Operating Surplus & Donations**

	Year to Jul '17	Year to Jul '16
Gross Surplus	34,993	38,040
Operating Costs	(25,703)	(27,635)
Interest Earned	7	17
Operating Surplus	9,297	10,422
Donations	117	4,455
Net Surplus for the Year before tax	9,180	5,967
Taxation	1,289	1,407
Net Surplus for the Year after tax	£7,891	£4,560



3. Accounts for year ended 31st July 2017 **Balance Sheet as at 31st July 2017 - Assets**

		31-Jul-17	31-Jul-16	Change
		£	£	%
Fixed Assets	Lease Improvements	256	986	
	Furniture & Equipment - 5 yrs	13,282	9,595	
		13,538	10,581	+27.9%
Current Assets	Newspaper Vouchers			
	Prepaid Rent	633	633	
	Refurbishment Deposit	3,200	3,200	
	Stock	6,849	6,849	
	Bank Account	36,751	29,917	
	Undeposited funds	(1,849)		
	Cash/Till	161	155	
		45,745	40,755	+12.2%
	TOTAL ASSETS	59,283	51,336	+15.5%



3. Accounts for year ended 31st July 2017 **Balance Sheet as at 31st July 2017 - Assets**

		31-Jul-17	31-Jul-16	Change
		£	£	%
Fixed Assets	Lease Improvements	256	986	
	Furniture & Equipment - 5 yrs	13,282	9,595	
		13,538	10,581	+27.9%
Current Assets	Newspaper Vouchers			
	Prepaid Rent	633	633	
	Refurbishment Deposit	3,200	3,200	
	Stock	6,849	6,849	
	Bank Account	36,751	29,917	
	Undeposited funds	(1,849)		
	Cash/Till	161	155	
		45,745	40,755	+12.2%
	TOTAL ASSETS	59,283	51,336	+15.5%



3. Accounts for year ended 31st July 2017 Balance Sheet - Liabilities & Nett Assets

		31-Jul-17	31-Jul-16	% Change
		£	£	
Current Liabilities	Corporation Tax	1,289	1,407	
	Trade Creditors	-	-	
	VAT Liability	53	106	
		1,342	1,513	
	NETT CURRENT ASSETS	44,403	39,249	+13.1%
	NET ASSETS	£57,941	£49,830	+16.3%
Capital and Reserves	Grants	27,701	27,701	
	Retained Earnings	14,944	10,166	
	Revaluation Reserve	7,000	7,000	
	Shares	404	404	
	Profit for the Year	7,892	4,560	
	SHAREHOLDER FUNDS	£57,941	£49,830	



3. Accounts for year ended 31st July 2017

ORGANISATION	DONATION
No donations this year pending successful completion	
of purchase of 14 Church Road	
+ vouchers for new residents, raffle prizes at events and charity donations from our loose change collections! Making a real difference to our community	



Agenda – Item 4

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– Pat McLevy, Committee Secretary
2. Report of the Management Committee
3. Receipt of the Accounts year ended 31st July 2017
- 4. Election of Management Committee Members – Angela Hammond, Assoc Sec**
5. Resolution to dis-apply the requirement to undertake a full professional audit
6. Discussion



4. Election of new Management Committee Members

COMMENTS

- ♦ **Committee Membership: minimum 4 - maximum 12**
- ♦ **Seven existing members so we have vacancies for up to five new committee members**
- ♦ **Two nominations were received by the deadline - Tracey Templeman and Jill Evans**
- ♦ **Fewer nominations were received than vacancies so a secret ballot is unnecessary and Tracey and Jill are duly elected to the Committee**
- ♦ **The Committee can co-opt up to three more members during the year should people come forward**



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5. Resolution to dis-apply the requirement to undertake a full professional audit for the 2016 - 17 Accounts

The Co-operative and Community Benefit Societies Act 2014 states that a registered society may, by resolution, disapply from statutory audit if annual sales are below £5.6m or net assets are less than £2.8m

Due to our small size and the high cost of an audit the Committee's recommendation is that we do not undertake a full professional audit of the 2016-17 accounts and disapply in accordance with Rule 51 of the Rules of the Association

RESOLUTION:

**That shareholders vote to accept this recommendation by show of hands
(90% support is required to pass the resolution)**



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- 6. Discussion – Alun Evans & John McLevy**

A brief review of our discussion last year

COMMUNITY SHARES



Benefits for stakeholders

Church	Shop	Investors
<p>More efficient investments</p> <p>Higher net income</p>	<p>Long term security</p> <p>Speedy repairs</p> <p>Grants for renovation</p>	<p>Community investment</p> <p>Interest</p> <p>Potential tax benefits</p>

Would we be able to raise enough funds to buy the property?



So we asked for expressions of interest

Respondents	113
Min	£295,000
Max	£755,000
Average	£525,000

High degree of confidence that the necessary funds can be raised

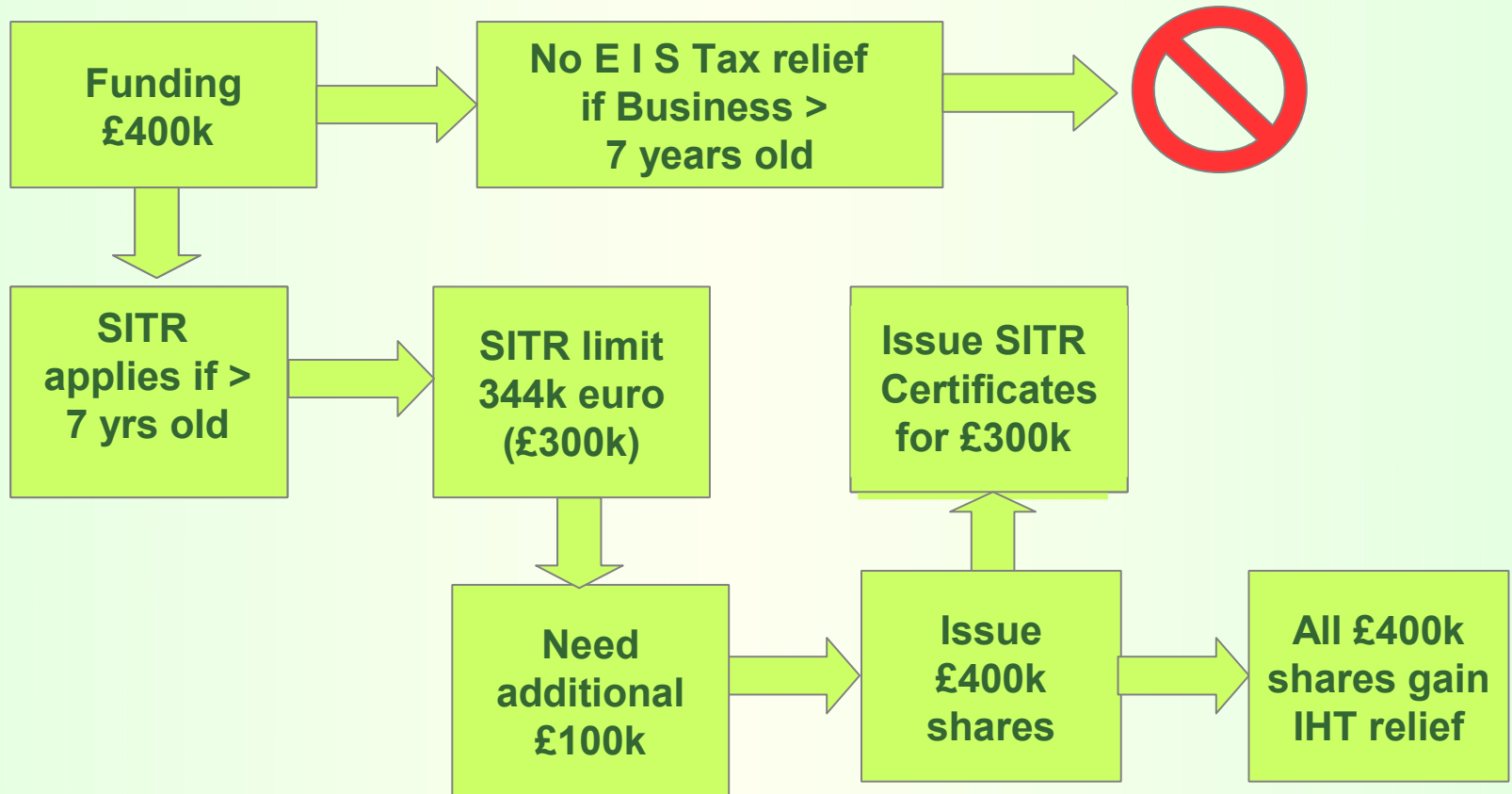


Firstly let's get inheritance tax out of the way !

- 1) Shares in UK unlisted companies qualify for business relief from inheritance tax
- 2) Business relief on shares in unlisted companies is 100%
- 3) Business relief includes withdrawable community shares in a society if it trades for the purpose of making a gain
- 4) Evidence of trading for gain includes interest payments on share capital

For detailed guidance see HMRC Inheritance Tax Manual - IHTM

Pre-authorisation of other tax benefits proved difficult



Need to manage the amount raised; allocation of shares & SITR



We need to manage a number of issues

- Manage the share issue to a maximum of £400,000
 - If oversubscribed, applications may have to be scaled back
- Manage SITR certificates to stay within the 344,000E limit
 - Application forms have to identify SITR claimants
 - Inform HMRC of the names of potential claimants
 - Submit a compliance statement to HMRC
 - If approved, issue HMRC certificates to investors for a proportion of their shares

What about Inheritance Tax Relief?



Making your choice known on application

Boxes 1 & 2 must be ticked to proceed. Only tick boxes 3 to 6 if you agree:

*	1) I confirm that I am 18 years old or older
*	2) I have read the share offer document and understand and accept the terms of the share offer and the rules of ACSA Ltd
**	3) I confirm that I wish to claim Social Investment Tax Relief
**	4) I consent to the email above being used as the primary means of communication for official documents from ACSA Ltd
**	5) I do not wish to receive interest & consent to my interest being retained by ACSA Ltd in pursuit of its social aims <i>(reviewed annually)</i>
**	6) I will be transferring the full amount electronically by BACS

The application form is included in the Prospectus



Timing of the Offer

- Publication of the prospectus next week
- Sent electronically to those who expressed interest
- Hard copies will be available in the shop
- Share offer opens on the 21st October
- Share offer closes on the 18th November
- Complete the application form in the prospectus
- Completed application needs to be accompanied by a cheque for the full amount (or intention to BACS transfer) to be included

Now for any questions that you may have

To avoid this...





Please state your name and question clearly



Thank you!



No structure survives without support...



Thank you for your continuing support...



SPARES



Our Object or Purpose

“.... to supplement existing and establish new services (and activities) which enhance the vitality and well being of the local community through increased social interaction, volunteering and philanthropic local donation of funds raised”

Copies of our Articles of Association are available from Angela

The demise of the village shop!

**400 Village stores
close every year!**

**27 Community
Shops open
every year!**

**Only 45% UK retail
businesses survive
for 5 years**

**99% Community
Shops survive
for 5 years!!**

**Currently 337 Community
Shops**

Saving over 4 million miles per year in car journeys

**Average of 153 members and 7 committee
members**



How do we compare with other community shops today?

	<u>UK Community Shops</u>	<u>Almondsbury</u>
Turnover per annum	£154,687	£172,872
Gross Margins	23%	22.4%
<u>Area of premises</u>	<u>Average turnover / sq ft</u>	
100 sq ft - 400 sq ft	£345	£500+
400 sq ft - 750 sq ft	£235	
750 sq ft - 1,000 sq ft	£221	
<u>1000 + sq ft</u>	<u>£113</u>	
UK Average	£243	
Wastage		
Average annual wastage	£1,468 / 0.95%	£1,729 / 1.00%
Donations		
- Average % net surplus	19%	50% – 90%

Getting more out of less and putting more into the community !!

And finally!

