LISMORE COMMUNITY TRUST

Purpose: to maximise the potential social, economic and environmental well-being of the whole community of the Isle of Lismore

MINUTES OF THE MEETING OF THE LISMORE COMMUNITY TRUST HELD ON WEDNESDAY 14th November 2024 IN THE HALL AT 7PM

1. **Present:** Andrew Livingstone (**AL**), Brona MacDougall (**BM**), Laura Savill (**LS**), Archie MacGillivrary (**AM**), Anna Stewart (**AS**), Jane McCluskey (**JM**) on Zoom

2. Apologies: Anita Bachuil, Kate McLuskie and Peter MacDougall

3. Minutes of the last Meeting (3rd July) and matters arising. Proposed by **BM**, seconded by **AS,** passed. No matters arising

4. Financial Report - LS RBS – account, still not easily accessible. When I asked in the Branch in Oban, who were signatories, they named 4 people who I personally have removed. **LS** accidently wrote a RBS cheque out for our membership to DTAS. DTAS attempted to cash the cheque 3 times, due to insufficient funds it bounced. **LS** paid the £36 charges, for which no reimbursement is required.

The Main Trust funds are just under £7k, currently restricted in the Co op Account. Once the funds have been apportioned correctly, **LS** will provide a short report to the Board, before the next meeting, once the funds are apportioned correctly.

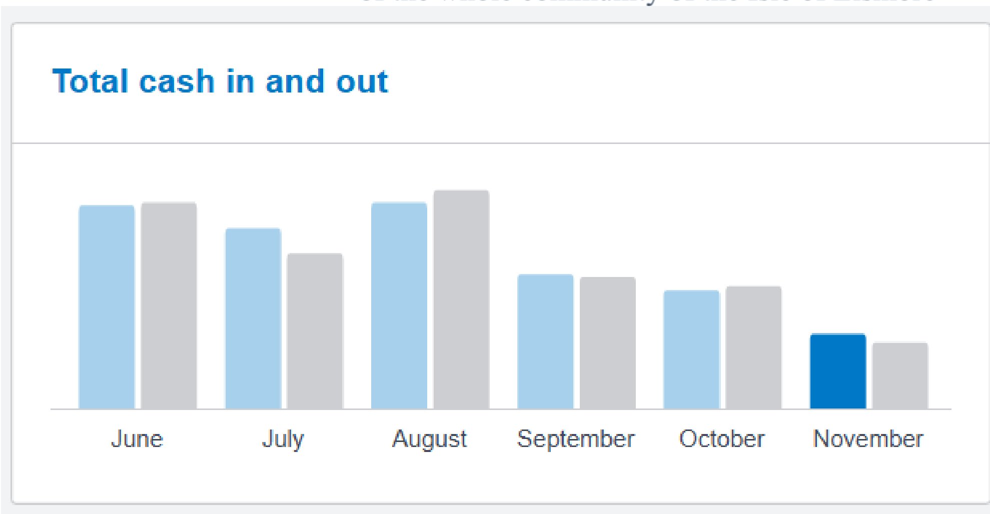
5. Shop Report - JM Book keeper

1. Introduction

We are not yet in a position to routinely produce shop performance reports ad hoc because of the manual intervention needed between our key systems, which is further complicated because of our need to account for VAT since our registration on 1st July. A diagram in appendix 1 summarises this. We are in the process of implementing ways of working to make manual intervention as efficient as possible and reporting easier. I will ensure that Xero is up to date ready for the 1st January, and will produce a schedule of monthly report dates for 2025. In the meantime, this report can only include some high-level indicators.

2. Cashflow

This chart is from Xero and shows the movements on the shop current account. As the receipts and payments are consistently almost the same, we are not building a cash buffer.



In the 3-month period 01.07.24-30.09.24 our regular overhead costs were an average of £5,474 per month. If we assume our post office payments are £1,500/month this is reduced to £3,974 so we need to generate at least this much gross profit from sales each month to break even.
In the same period the till recorded that we averaged £18,568 sales net of VAT per month, so we would need a gross margin of 21.4% to cover the £3,974 fixed overheads. I cannot confirm what our current gross margin is, as there is an anomaly in BackOffice that is skewing non-VAT sales (to be investigated). However, BackOffice reports on VATable sales in this period show a gross margin of 24.8% (up from 23.6% in the period 01.11.23-30.06.24) so we are just about breaking even.
Last winter our average monthly takings December – March were £13,664 and we did not need to account for VAT. If they are the same this winter after adjusting for VAT (a weighted average of c10%) it will be c£12,300 per month, 24.8% margin equates to c£3,050 so we will be making a loss of c£2,424 per month, without any extraordinary costs like repairs, car maintenance etc

We have not increased our margins enough since we became VAT registered and whilst it may be unpalatable to some it is necessary.

3. VAT Return

Our first VAT return for the period 01.07.24-30.09.24 is being finalised for submission. It will be a slightly late submission, but this should not incur any penalty for us. It will also result in a refund as we are able to reclaim VAT on some pre-registration expenses – the value won't be known until Brona has completed her analysis and submits the return.

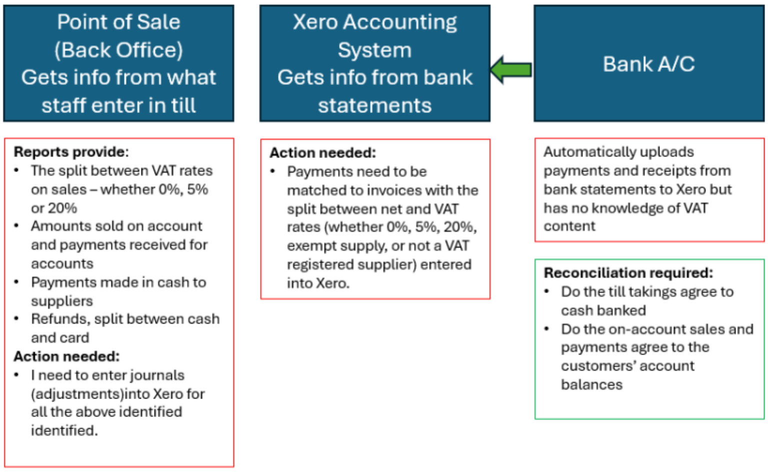
4. Actions Going Forward (For the shop MB, meeting 22.11.24)

1. Establish what target gross margin % a shop like ours should generate
2. Review our margins and selectively increase prices to meet this target
3. Get Xero completely up to date by 31.12.24

4. Optimise shop admin to enable point 3Version 01 and the production of useful reports in a timely manner.

5. Appendices

Appendix 1



Version 01 14.11.24 Jane McCluskey

JM answered various queries regarding the need to increase prices to have a gross profit margin of 30% to cover VAT and to ensure we make a small profit as opposed to a loss. We also agreed to buy the Stock Taking Gun, to ensure an accurate stock value. This will be our first month of full Post Office salary. A general discussion regarding how to cut overheads ensued. **JM** raised her concern as to whether she is covered by Indemity Insurance under the Trust Policy. **LS** said she thought she would be but will check and ask for clarification to be emailed over. **JM** left the meeting at the end of her Report.

Action: LS to buy the Stock Taking Gun and inform the Shop Management Board, that prices need to rise to an overall gross margin of 30%. LS will also inform the MB that there are initially required to send monthly reports, to the LCT Board. LS will contact NFU re Indemnity Insurance.

6. **Housing update – AL** Progress is ongoing with funding submissions with Julia preparing accordingly. In the next week a submission will be made to RIHF for stage 1 feasibility funding of £15,000 to all engineering design work to progress for the builds and also SLF funding stage 2 to allow for purchase of the site.
At the beginning of Nov we arranged for a site survey to be conducted which was positive with mainly bedrock being found where the foundations will be located.
It was acknowledged that Julie Fayugren has been working hard alongside **AL**

It is intended to move the houses back and realign the road within the site and it has been indicated by planning that this can be done as a non-material variation and a new planning submission will not be required.

The current plan is for the houses to be built by the end of 2025.

7. **Kiosk.** **AS** told the meeting that he had spoken to Harper Engineering in Oban. They were tasked with the job of restoring the but although having been paid a deposit, have not yet started. AS asked if he could see if he could find a less expensive option, possibly a replacement phone box as opposed to repairing the original. We would pay all the expenses incurred by Harper Engineering up to this point, if we choose another option.
Action: AS to negotiate with Harper Engineering re the above

8. It was agreed the following directors will take on the roles identified below**.** Although our Rules do not stipulate which Officers we need in place bar the Secretary, we have chosen to identify individuals amongst the board to hold these roles.

Chairperson	**AL**
Vice Chairperson	not filled - in his absence **PM** was proposed
Secretary	**AB**
Treasurer	**BM**

KM has agreed to undertake finding appropriate funding and grants, plus identify/work with LCC re the Island Plan and other future planning. **AS** will be working with **KM**

LS will be looking at compliance and ensuring we follow the rules plus any other legal, health and safety etc. **LS** will also work in a supporting role to the Treasurer, Secretary and **KM** as and when required.

9. LS gave a brief account of the day that was spent with Isla Mucculloch from DTAS. It was very successful, lots of general information was shared, AS and KM joined LS for coffee and cake in the Café. KM's short report is below.

1. Useful meeting with Isla Mcculloch: Information about trustee training, finance, and governance but also very interesting case studies implemented and proposed for other small communities.
2. Following the meeting, Anna S put together a wish list of projects that would attract community support and enhance living on the island. These could be arranged into 4 priority areas that could follow on from the current major project of the houses: 1. Development of Achnacroish beyond the houses; 2. Renovation and development of

the hall; 3. Greening the island's electricity supply; 4 Better support for older/disabled residents.

3. Argyll and Bute have advertised webinars on developing a Local Place Plan. Attending these webinars with e.g. members of the hall committee might produce a context for working through these plans and for collaborating with other groups on the island.
4. Proposed that Kate and Laura attend with Jane Hough (and Mandie Currie??) and, if agreed, begin work on planning the hall project reporting to both Trust Board and Hall Committee as work progresses.

Due to time constraints, little discussion happened but will be an agenda item for the next meeting.

10. **AOB.** Next meeting Thursday 12th December Lismore Public Hall 7pm.

Dates the meetings, these will be monthly, 2nd Thursday of the Month, excluding April and August, are below

9th January
13th February
13th March
8th May
12th June
10th July
11th September
9th October
13th November
11th December

AGM date to be decided at least 3 months in advance to allow for CBS rules to be adhered to.

There was no other business and **LS** thanked everyone for attending and the meeting closed at 8.40pm.