

Annual General Meeting 14th November 2004

Chairman's Notes

Open meeting & welcome shareholders, professional advisors, staff

Introduce Directors: Karen Burling, Helena Oldroyd

Introduce Committee:

Introduce Professional Advisors:

Mike Leggett, Carole Alexander & Maryanne Holifield

Introduce Staff

Nick Burgess, Emma Harvey, Pat Harding, Sue Clarke, Elizabeth Moses, Kathleen Burgess, Lynda Ward, Charles Heath, Emma Willoughby.

Chairman's Opening Remarks

WE WILL MOVE THROUGH THE FORMAL BUSINESS OF THE MEETING FIRST AND THERE WILL BE Q&A AFTERWARDS.

Formal Items of Agenda:

Agenda Item One: Karen

Receive Apologies for Absence

Agenda Item Two: Karen

Read minutes of previous AGM

Vote to accept minutes of previous AGM

Agenda Item Three: Mike

Receive the accounts of the Company for the period ended 30 June 2004 and consider the recommendation of the Directors that no dividend be declared in respect of the period.

Vote to accept the accounts

Agenda Item Four: Mike

Chairman's Report & AOB

We have received no items for discussion from shareholders unable to attend tonight.



CHADLINGTON QUALITY FOODS LTD.
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1) Financial summary for period ended 30th June 2004:

	2004	inc/dec over 2003	2003	2002
Turnover:	£210,678	+0.41%	£209,811	£196,571
Gross Profit:	£80,245	+15.49%	£69,480	£65,966
Gross Profit Margin:	38.1%	+5.0%	33.1%	33.5%
Costs:	(£74,994)	+4.15%	(£72,002)	(£69,422)
Operating Profit/(Loss):	£5,416	+324.26%	(£2,415)	(£3,456)
Bank Balance:	£17,463	(22.59%)	£22,558	£15,351
Fixed Assets:	£14,677	(25.0%)	£19,570	£12,740

2) Comments

Financial

- Turnover has remained very similar to 2003 with a very slight increase.
- The high profit margin we achieve for this type of business has been further increased. This is way above that achieved by other similar businesses, according to the ViRSA and Countryside Agency, who suggest that other businesses like ours achieve around 20% margin at best. This is mainly due to changes in suppliers, careful buying, opportunities to mark up without over pricing and the home cooking ranges making best use of the stock on hand.
- Value of the stock in the shop was higher by £2,450 at the end of this trading period compared to the previous year.
- Increased costs are mainly due to staff costs, book-keeping and bank charges. Savings were made on utilities and bad debts.

Staff:

- During the year we had number of short term employees who helped cover for a period of long term sickness and maternity. The maternity cover is ongoing but we do feel we have a strong and stable team in place. We are pleased to have welcomed back Sue Clarke and introduced Lynda Ward.
- We have appreciated the help of our book-keepers in understanding the complexities of employment legislation associated with illness and maternity, during this time.
- We currently have one vacancy on Saturdays.
- We would like to take this opportunity once again, to thank all of the staff for their commitment and hard work, without which we would not be able to provide a service. In particular, we would like to thank Nick for his continued enthusiasm and all that he contributes in the interest of the shop, his wife Kathleen for her help and support, Pat Harding for her dedication and experience, and Emma Harvey, without whose drive and supervision of the kitchen we could not offer our unique range of home cooking.

Improvements:

- We have agreement from Mrs Slatter to move to mains gas, which we will implement early next year.
- During the spring we intend to replace refrigerated counters and displays in the shop and carry out internal and external redecoration, including rewiring as necessary.

Customer Accounts:

- Last year we outlined procedures designed to eliminate bad debts on customer accounts. We are pleased to confirm that these procedures were all implemented and the customer accounts are now in good shape. Most accounts are settled within the month and those that are not are monitored and managed to great effect by Maryanne Holifield.

Marketing

- Whilst we have not carried out any specific marketing activities we have benefited from some significant media coverage during the year:
- We entered The BBC Good Food magazine competition and our photograph was featured in the magazine.
- We have been included in the list of 50 Best Cheese Shops in The Independent and received coverage in The Oxford Mail for this.
- We also received an 'honourable mention' in the Oxford Times for providing the picnic to journalists and others on the Harvest Walk, which was organised by Rupert Ponsonby to promote local beer from local hops and barley.
- We have been listed in Oxfordshire Life magazine's Local Food, Local People section
- We have distributed our leaflets at the local Caravan & Camping Club site.
- We have distributed a Christmas leaflet and order form to customers and throughout the village.

Other:

Areas we have not made progress on are:

- Customer feedback mechanisms
- Quarterly Newsletter
- Website and online marketing
- Business Plan

This concludes the Chairman's Report.