

**Minutes of Headingley Development Trust Annual General Meeting for the
financial year 2023/2024
Held at HEART on Wednesday 28th March 2025**

48 members were in attendance. There were 22 apologies.

1. Introduction and welcome

Sam Schwab (Chair) opened proceedings and thanked members for coming. He outlined the agenda for the evening, highlighting that the first half would be the 'procedural' part of the AGM and this year would also incorporate an update on the existing Headingley Investment Fund (HIF). The second half of the meeting would be focused on the launch of our new fund, HIF2025.

2. Overview of the Year

Sam then talked about the year just gone. The work by the constituent arms of HDT continues to deliver high - and quantifiably improving - levels of social value. Our core businesses at **HEART**, the greengrocer and beyond continue to perform well - and on some measures better than they have ever before. Pam Reynell's impact since joining as Centre manager has been fantastic. There's been a clear focus on people, development and continuity of our staff which has seen a tangible effect in the positive spirit of the place, as well as increased room bookings. Both these things help with the 'virtuous circle' of HEART's success - good vibes in the café leads to more room bookings, which in turns sees higher use of the café's offer. There's a really clear plan in terms of continuing these trends and optimising use of every aspect of the business.

There's a similar story of positivity in the work at the **Headingley Greengrocer**, led again by a strong manager, Kathy, and a dedicated group of staff. There is a lot of active work happening to solidify and improve the business. The major change in the past year has been the completion of the Trust's purchase of the freehold of the greengrocer building at 50 North Lane, which also encompasses the unit housing the butcher. This is our community shares in action - taking the first step to securing a better financial environment for core local business.

There was also a thriving year for the **Farmers Market**, which at the most recent count in March saw rates of footfall at their highest since pre covid times with 1200 people attending and high demand for stalls.

Other branches of the HDT family also continue to flourish in what can still be called a recovery trend following the pandemic - for example, **Talking Heads**, **Café Sci** and **Films at Heart** have an increasingly large diverse offer, and the work of the **Orchard** also continues and expands.

Core to all of these successes are our amazing people, both paid and volunteers.

On finances the picture is less straightforwardly rosy. Despite the strong performance described earlier, the operating costs of HEART and the Greengrocer continue to rise significantly and contribute to both business having made an annual loss in our year to last September of around £50,000 (more details in the next section)

But at a headline level it is important to say that the trust overall remains in decent shape. We were recently audited and the auditors agree we remain clearly a going concern. What is important is that we take steps to tighten our financial control , ensuring that we as a board are mitigating further deterioration and safeguarding the longer term. The HDT board has worked with the Greengrocer and HEART on their budgets for the coming year. Both organisations have a clear plan to focus on marketing and maximise income against operating costs – aiming to breakeven in the coming year or better. Because the financial year ended last September we have some more recent data to look at and it's clear that HEART, our biggest business is delivering consistently on this budget. THG are engaged in some active marketing and the ownership of the building affords new potential for them to deliver as well.

Whilst we are expecting to continue to pay interest on our community shares in the coming year, as a board we will also be going to keep a closer eye on requests for share withdrawals.

The trading environment for small businesses is very hard at the moment with news of things closing seemingly every week. The fact is that living in the shadow of covid and the impact of war in Ukraine has had a massive impact on energy and they and employment costs are our major costs. But the vital signs of our businesses are very strong in terms of demand, and so we believe with careful management and continued support from our members we are in as good a place as possible to protect our businesses and continue the positive work they do.

In closing Sam took a step back to look at the bigger picture, saying:

"It's the 20th anniversary of HDT in 2025 which is something we want to mark. As well as planned events at HEART and the Farmers Market we are hoping to celebrate some of those achievements through a history of the society being gathered by Helen Seymour and others.

It's no mean feat to have maintained and grown the offer to the place it is, and is important to recognise that ongoing delivery and maintenance of our 'core offer' is not a given, and there is an immense scale of the work involved to maintain and safeguard, as well as develop especially in the current context.

That notwithstanding we believe we can do even more in a sustainable way and we will be telling you about those plans in the second half of the meeting as we invite you to engage, and indeed ultimately invest".

Sam closed by reiterating his thanks for your continued support and engagement with our efforts to nurture community, and foster sustainable positive actions for Headingley's future. Here's to the next 20 years!

3. Financial Overview

John Chandler outlined our financial position in more detail. He began by reiterating that while we continue to operate in tough economic conditions the Statutory Accounts reported here are an accurate reflection of our performance. He noted that HDT is supported today by our historic Community investors, reflected in our closing Share Capital of almost £0.5 million This year that original investment has again been used to generate a little over £1.3 million of value-added within our local Community in the form of Income + Local purchasing +Local salaries

Group income rose to £808,628 (2023: £793,244), an increase of 2%. Operating margins reflected difficult economic conditions and in 2024 the Group made a loss before taxation of £46,394 (2023: loss of £32,971)

The Headingley Greengrocer (THG) faced continuing tough trading conditions on the "High Street", making a loss of £13,389 on turnover of £247,188, compared with a loss of £2,890, on a turnover of £264,441, in the previous year. The programme of support to local foodbanks, established during the pandemic, continued through this year.

2023/24 was another challenging year for HEART despite a strong increase in turnover from £475,202 to £501,676, the first time that turnover has exceeded half a million pounds. However, energy and staffing costs continued to rise and overall, HEART made an annual operating loss before taxation of £64,468 (a loss of £50,644 in 2023). HEART's subsidiary, Tiny Boo, grew its income slightly and it made a surplus of £15,828 (£15,217 in 2023).

The parent society, with the aid of income from Headingley Homes and from the Farmers Market generated revenues of £49,928 (up from £36,303) and made a useful surplus of £18,525 (£5,859 in 2023).

The Group Balance Sheet reflected the impact of the operational losses at HEART and THG with a fall in net asset value to £481,376 (2023: £547,902). However, the balance sheet remains very strong and both trading subsidiaries have been able to repay long-term loans to the parent company in accordance with original schedules.

Despite a third year of challenges with lower consumer spending and energy and wage driven inflation pressures the Board remains comfortable with the long term financial position of the Headingley Development Trust (the HDT Group). John noted, however, that given recent losses, the directors have now decided to limit

share capital withdrawals in the form of repayment of share investments to members. Consequently *withdrawal requests from Shareholders for the remainder of this and the next financial year will be considered individually, according to the current availability of liquid funds at the time of each request.* This will help ensure HDT Group's continued legal status and operability in respect of the 2015 Guidance issued by the FCA.

John concluded by noting and thanking:

- The loyalty of customers and users;
- The hard work of volunteers and paid staff.

3 Concluding AGM procedural business

Alan Beswick (Society Secretary) introduced the remaining AGM agenda items:

- **Minutes of the 2022/2023 AGM held in March 2024:** These were approved as an accurate record.
- **Acceptance of accounts & appointment of auditors:** the accounts were accepted and the proposal to re-appoint Third Sector Accountancy as auditors for the current financial year was confirmed.
- **Director appointments:** Members approved the election of Alex Barrie as a Director of HDT, following his year as a co-opted director and approved the re-election of Sam Schwab and John Chandler for their second three-year terms. Alan Beswick was standing down as a director and society secretary after the AGM having reached the end of his second 3-year term. Sam then stepped back in to ask the meeting to thank Alan for his service to the society over this period and remind the meeting that we are always on the look-out for new directors if anyone is interested in joining the board.

Discussion

Sam and John were thanked for their informative and clear presentations and there were no further questions or points of clarification. There was a short interval before Part 2 commenced.

Part 2 : Launch of Headingley Investment Fund 2025 (HIF2025)

Isobel Mills and Alan Beswick led the presentation. The full set of slides are available [here](#)

Isobel began by recounting the long history that HDT has had with Community Share offers, dating back to the original offers in 2007/2008 that raised £105,000 towards the development of HEART and our most recent offer in 2018 which had

helped refinance HEART, buy and renovate 50 Headingley Mount and buy the greengrocer business (and subsequently the freehold for the shop).

Our new offer, HIF 2025, has been almost two years in the making and has involved extensive consultation with members, the wider Headingley public, the boards of our subsidiaries and with potential backers and investment platforms.

From this a proposition developed which recognised that not only would we have new ventures and projects coming forward that would require financing but that our existing portfolio of (mainly Victorian) assets would also require investment to allow our businesses to flourish and to be fit for the future. Three priority themes had emerged:

- Securing the long-term future of Headingley Greengrocer, by refinancing the mortgage on the freehold of shop at 50 North Lane.
- Investing in future-proofing our assets by reducing energy costs and upgrading facilities at HEART and the Greengrocer ensuring they can continue to thrive as businesses and hubs of community life.
- Creating a 'Reserves in Readiness' fund to support new community-led projects and local high street businesses, fostering innovation and resilience in our neighbourhood.

After showing a short video about the fund and its priorities Alan Beswick talked about the detail. It was hoped to raise a minimum of £100,000 with a target of reaching £200,000, or even more if sufficient external investment could be found. Investors would be offered the choice of three interest rates, 0%, 2% and 4%, reflecting that many of our investors prioritise community value over their financial returns and that some of the necessary investment in our existing assets was unlikely to generate high returns. The minimum investment was £100 and the maximum £50,000. The share offer had been externally assessed and awarded the Community Shares Standard mark and an application for up to £50,000 of match funding from the Booster Fund had been applied for. The share offer would remain open for three months. If the offer was successful, ie it raised the minimum target of £100,000, the fund would go live on 1st July 2025 and would run for 20 years.

Questions and reflections

The proposals for HIF2025 were very warmly received. There was a wide ranging discussion and numerous questions and suggestions about the proposed investments and what the priorities should be if the fund raised different amounts to that projected. Isobel explained that that guiding thread would be the three priorities identified and that as long as the fund raised the minimum of £100,000 it was expected that we would be seeking to invest in each of the three at some level. John Chandler provided an example, saying that if we were to raise £200,000 for

example then Priority 1, refinancing the Greengrocer might account for a figure of up to £100k with around £60-80k available for Priority 2, investing in our existing assets, and then £20-£40k held back for Priority 3 as 'reserves in readiness' for as yet unidentified projects.

There were further questions about how people could invest and how the choice of different interest rates would work in practice. At 21:00 Sam Schwab closed the meeting by once again thanking those who had attended and who had contributed to such a lively and supportive evening, and all HDT's other members, for their support.