The AGM will be held from 2pm to 5pm on Saturday 3 February 2018 in Sheffield

There will be workshops from 11.00am and a buffet lunch will be available from 1pm

Agenda

1. Introductions and welcome by the Chair, Robert Denbeigh
2. Apologies
3. Information on electronic voting
4. To approve the minutes of the Half Yearly Meeting held on 20 July 2017
5. Matters arising
6. To receive the Directors’ Report and Accounts for the year ended 31 August 2017
   - Financial results and performance – Per Simonsen, CFO
   - Strategy and future plans – Peter Murley, Interim CEO
7. To consider the following notice of motion submitted by Peter Hirschmann:
   
   This AGM recommends the adoption of a system of preferential voting, the Single Transferable Vote, for elections to the Board as being fairer and more democratic.

8. To consider the following notice of motion submitted by Toby Johnson:

   To promote transparency and openness the Board is asked to inform the Members of:

   1) What impact the remuneration packages negotiated with the interim CEO and expected to be offered to the new permanent CEO have had, or will have, on the top-to-bottom salary ratio, which was recently stated on the website as being 5:1.

   2) Whether the procedures used for the selection and appointment both of the interim CEO and of a new permanent CEO complied fully with the Phone Co-op’s equal opportunities policy and whether either position was advertised publicly.

   This meeting requests the Directors to continue the Society’s commitment to honest, open and transparent communication in all appointments and/or engagement of colleagues.
9. To consider the following notice of motion submitted by Simon Blackley:

This meeting notes that The Phone Coop’s recently published Annual Report and Financial Statements 2016-2017 refers to a very ambitious four-year growth strategy to which, it says, the Board has already “confirmed its commitment”. Members welcome ambition and want to see the Society grow. However, this meeting expresses concern that:

- Since such an attempt to achieve a step change in growth rates may entail sharply increased risks, it merits a full and open dialogue with members.

- Although the report specifies forecast profits (“£2 million net profit in 2012/22 [sic]”) it only refers in general terms to expected losses this year and next, without quantifying them. If it is appropriate to inform members about the expected upside, it must also be appropriate for the Board to spell out the immediate downside.

- The Annual Report says nothing about the impact of these losses on the Board’s established policy of maintaining reserves between £900k and £1.1m which was recently reaffirmed in the half-yearly report of July 2017. Specifically, the Annual Report does not mention the possibility of increased risk to Members’ Share Capital as reserves are depleted by the forecast losses.

- More generally, although the election statement of one current board member seeking re-election refers to “managing a slightly higher level of risk than we’ve experienced in recent years”, the report offers no assessment of the risks involved in the strategy.

- The report states that the £2.0m profits forecast for 2021/2022 will be “over ten times more than any previous year”. This is simply incorrect, as the ‘Profit before distributions’ chart on page 23 of the same report shows. Profits in 2013 were more than £0.5m, meaning that the annual profits projected to be delivered by the growth strategy would be less than 4 times greater than the previous peak, not 10 times as claimed. Such a major error raises concerns about the quality of due diligence applied in drawing up this plan, and members need reassurance that the plans are based on accurate information and realistic assumptions.

This meeting believes that The Phone Coop’s development to date, as the UK’s first successful new national consumer co-operative in at least half a century, is an important achievement for the Co-operative Movement, and something to be built on rather than to be put at undue risk.

In view of the above, the Annual General Meeting of Members calls on the Board to:

1. Explain the process used by management to review the plan from a risk management perspective, confirm that the plans have been subjected to a full sensitivity analysis, and publish the key results of any such analysis;
2. Specify at the AGM itself the upper and lower limits of the range of projected profits and losses for each year of the 4-year strategy, and the assumptions underpinning these projections;

3. Clarify the possible impact on the security of members’ capital in best-case and in worst-case scenarios; and

This meeting requests the Directors to be more transparent towards members in relation to major strategic plans, and specifically to avoid exposing the Society to potential losses greater than its reserves, and thus placing members’ share capital at risk, without consulting members first.’

10. To approve the final appropriations recommended by the Board of Directors:

Share interest: £108,467
Dividend: £10,850
Co-operative and Social Economy Development Fund: £10,850

11. To re-appoint Shaw Gibbs LLP as auditors of the Society

12. Election of Directors: declaration of the result

13. Presentation on The Phone Co-op Foundation for Co-operative Innovation – Vivian Woodell, Founder of The Phone Co-op

14. Guest Speaker - John-Paul Flintoff, journalist, author, performer, coach and initiator of our 1 Million Conversations campaign

15. Any other business