

DALES HEAD COMMUNITY LTD

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Chair's Report 2024

The Board's objective is to prudently manage the asset, Dale Head Garage, on your behalf for the foreseeable future so as to ensure the sustainable operation of local services in the Upper Dales namely, the Post Office, Library, Community Office, and Little White Bus service.

This includes managing a close working relationship with UDCP Ltd, who lease the garage from us and assist us with administration, managing the accounts, dealing with Shareholder enquiries and any other queries relating to Dales Head Community Limited.

It has been a busy twelve months, with the Board meeting quarterly, and financially we're performing better than we'd planned. We maintain a healthy bank balance, currently at £53k, which is important for a couple of reasons.

Firstly, we will shortly be paying the second annual dividend of 4% to you. If the business continues to perform as it has done so far, it is a reasonable expectation that the Board will be able to recommend payment of an increased dividend of 5% in 2025 and potentially also beyond that.

Secondly, the Board recognises that at the end of next year (31st August 2025) the three-year freeze on selling your shares ends.

It is worth remembering that under community benefit society rules, shares can only be sold back to Dales Head Community (DHC) Ltd. Any request to sell shares must be made to DHC Ltd and we will, subject to prudent management of the company, consider any such requests and respond within the financial capacity of the company.

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We appreciate the support of all shareholders and trust that you are happy with the way DHC Ltd is performing and is being managed. Consequently, we hope you will continue to support DHC Ltd long into the future.

To this end, the Management Committee has considered the appropriate provision for any share redemption requests at the end of our third year to be £10,000.

It goes without saying of course that we sincerely hope you will continue to remain a shareholder of the garage. The 4% interest and 4 pence per litre arrangement remains, in our view, hugely attractive and maintaining consistency amongst the Shareholders provides financial stability for DHC Ltd.

Next steps:

As mentioned before, our objective is to prudently manage the garage on your behalf for the foreseeable future to ensure the continued operation of local services. That means having a strategy in place to ensure we can upgrade the garage so it is fit for purpose.

Specifically, we would like to pursue:

- An upgrade of the forecourt and the pumps. Making access and egress easier, easing the pressure on traffic queuing down the road and exploring how the 4% discount can be applied at times when the kiosk is closed (we know this is important to you).
- An upgrade of the electricity infrastructure necessary to support multiple rapid charging points for electric vehicles.
- The acquisition of land/or premises to create a charging station and provide all the administrative and legal costs associated with all of these upgrades.

We cannot do this alone. This strategy can only be achieved if we work together with UDCP Ltd.

David Colley wrote to you earlier this year outlining our intention to make a joint application in excess of £250,000 to the government's Community Ownership Fund to fulfil our aims. Following an initial application, we were pre-qualified and invited to submit a full grant application for the full sum.

Following the announcement of the General Election, however, the Community Ownership Fund was frozen. It is not clear at this stage what plans the new Government has for the fund, although we fear it may not continue.

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Nevertheless, not doing anything is not an option, and so the Board will be considering the following:

- Looking to see where additional grant funding could be secured from.
- Exploring the option of a further share offer as a means of funding forecourt renovations.

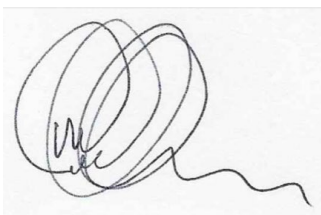
As part of this process we have, in the past, explored the potential benefits of merging with UDCP Ltd, and while that is not a decision we are looking to take in the short term, it could be something we come back as part of a future share offer.

We know from your feedback that being able to access your fuel discount 24 hours a day and the renovation of the forecourt are the most important things to you. Please be assured that they are to us too, and we continue to work with UDCP Ltd to explore possible solutions. We will keep you informed how this progresses.

Before I finish, I would like to thank the Board for all their hard work and commitment this year, it is appreciated.

And finally, thank YOU, shareholders, for your continued support. Without your contribution there simply would not be a garage and the community services it supports.

Thank you.

A handwritten signature in black ink, appearing to be 'Mark Sadler', written over a light grey background.

Mark Sadler
Chair

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