



## **Baldons and Nuneham Community Society Limited**

### **Report of the Management Committee to the AGM in relation to the period to 24<sup>th</sup> March 2020**

#### **Details of the Society**

##### **Society Address**

Yew Tree Cottage, Toot Baldon, Oxford, OX44 9NE

##### **Core Purpose**

The Baldons and Nuneham Community Society Limited (“BNCS”) is a Community Benefit Society established and managed by the community for the benefit of the Community of the Baldons and Nuneham Courtenay.

##### **Committee**

The current committee members are:

Chris Lake (Chair)  
Robin Timms (Vice-chair and Treasurer)  
Catherine Rohll (Secretary)  
Fran Butler  
Monica Downton  
Dave Greenaway  
Mark Tidmarsh  
Paul Torevell  
Simon Winn  
Liz Jones (co-opted)  
Phil Gardner (co-opted)

Dave Greenaway is standing down as it is the end of his three year term but is standing for re-election. Monica Downton and Paul Torevell are also standing down from the committee. There will be an election for the management committee at the AGM. The committee invited anyone who wished to stand to identify themselves by Wednesday 5<sup>th</sup> August. A secret ballot will take place at the AGM if required. Statements by all those standing will be available at the AGM.

It is the responsibility of the committee to oversee and have governance of the activity undertaken on behalf of the members of BNCS. There were 6 ordinary meetings of the BNCS Committee in the financial year 2019-20.

## **Independent Financial Auditor**

The auditor is Mercer Lewin of 41 Cornmarket, Oxford, OX1 3HA. Re-election of the auditors is one of the matters of business for the AGM. The Management Committee recommends the re-election of Mercer Lewin.

## **Structure, Aims & Objectives of the Society**

BNCS was registered with the Financial Services Authority (“FSA”) (now renamed the Financial Conduct Authority) on 10 December 2012. BNCS is a Community Benefit Society, a modern form of the historic Industrial and Provident Society. It has withdrawable shares and legal personality, and members have limited liability. The objectives of BNCS, as articulated in the Rules of BNCS, are to carry on any business for the benefit of the community and in particular by acquiring the freehold premises of the Seven Stars, to provide a venue for the community which:

- Promotes social gathering, employment and tourism
- Provides facilities and services for the community
- Provides event facilities.

The Rules of BNCS define its structure, management and operation. They are available on the website at [www.bnctltd.com](http://www.bnctltd.com). Copies of the Rules are also available from any member of the committee. If you have any question about the Rules, please raise them with any member of the committee.

## **Overview of the Year’s Activities**

In terms of work on the pub premises, aside from regular maintenance there is little to report. The Pot Wash roof had to be re-covered as there were leaks.

The creation of a secure storage area by adding a door and some infill panelling under the existing porch at the rear of the pub was a welcome addition of much needed dry storage.

In September 2019 BNCS hosted a village social event at the Seven Stars for villagers including current and potential shareholders. Shares documentation was updated for this event.

## **Trading**

Trading of the Seven Stars in the year to 24<sup>th</sup> March 2020 was £545,550 (previous year £712,706) and based on the revision to the rent, the amount due to BNCS is the base rent of £45,000 (previous year £71,271). As a reminder the rent arrangement is now 8% of turnover capped at £65,000, however the minimum rent has increased to £45,000. Unlike

the previous three trading years, this year saw a 23% decline in trading revenue. Whilst this is the cause of some concern, it is significantly higher than the pre and first years of trading under the current BNCS ownership. Therefore, we are confident that the value of the asset, given current trading and continued enhancements to the fabric of the building is therefore expected to be higher than the value at which it is carried in the accounts. The property is valued at the purchase value of £275,000 plus cost of these improvements. Buildings (but not land) are depreciated at 2% per year. The total value shown in the accounts is £429,671.

## Shares

In Year 7 of BNCS there was no additional share capital raised. £21,888 of share capital was repaid to shareholders who had left the area. This puts the current share capital at £169,444.

## Community use and vision

Matt continues to fulfil the BNCS vision of providing a welcoming place for the community, serving good food and drink, and providing opportunities for villagers to meet and socialise.

**Reviews** The pub is now #30 out of 425 for restaurants in Oxford and #9 out of 396 for Oxford lunch restaurants – this slightly less favourable than last year. 88% of the 573 reviews are at Good or Excellent.

The beer festival in 2019 was another very successful event, with the garden again full of people eating, drinking and enjoying the music.

During 2019-20 pub has been used for

- Beer Festival
- Christmas Day lunch (for the first time) and drinks
- Quiz Nights
- Rugby World Cup
- 80's Halloween Party
- Flat and Fizzy Reggae Party
- Book Club
- AGM
- Wine club
- Weddings/birthdays/funerals.

Matt indicated in the summer of 2019 that he was looking to sell the lease and at the beginning of November appointed Alistair and Patrick Smith (Front of House and Chef) as managers. Alistair and Patrick were potentially interested in purchasing the lease but discussions were put on hold due to the Covid pandemic.

In February/March the Coronavirus pandemic was 'kicking in' and then pubs were ordered to shut by the Government. There has been a reasonable turnover for the Take Away Service during this period of closure. However, due to the uncertainty, Alistair and Patrick

have decided not to pursue the lease purchase. In the meantime the pub reopened on July 4<sup>th</sup> and some of the staff have been rehired and it is operating again, but with the government restrictions in place. Matt and the committee are actively looking for a new tenant.

The BNCS committee continues to hold regular reviews with Matt. During the year the discussions have revolved around the pressures on the operating margin caused mainly by increases in food prices. In common with many pubs and restaurants, there has been difficulty in staff recruitment, chefs in particular, and the ability to ensure accommodation is available locally has been a key issue in this, but is not an easy problem to solve. Turnover was declining during the course of last year and, of course, this year has been very difficult so far. The committee approved, in line with many landlords, a rent holiday from the end of March to the end of June. The current quarter rent will be reviewed in the light of takings and the impact of Social Distancing etc.

## **Membership & Membership Strategy**

We currently have 161 members with a total shareholding: £169,444 (2019/20 End of Year).

£21,888 worth of shares (relating to 6 members all of whom had left the area) have been redeemed and we have had no new investment.

Our core strategy regarding investment is:

- To encourage existing shareholders to maintain or increase their investment.
- To generate new investment to replace any that may be withdrawn in future.
- In order to achieve the above, to maintain a competitive return on investment for existing and new members. During the period of the loan from David Harding this is restricted to the amount being paid under that loan (1.5% above base). This continues to be very competitive compared to other investments of this scale.

Membership recruitment aims are:

- To inform new villagers about buying shares in the pub and the benefits.
- To encourage greater engagement between the Seven Stars and the Baldons and Nuneham Courtenay community.

We held another Village Social Event at the Seven Stars in September 2019, to attract new members and encourage villagers to use the pub to socialise. The event was very well attended.

## **Finance Report**

The audited accounts presented today show that the Society is in good health financially. Trading of the Seven Stars has declined in the last year, something we will be working with the tenant on for the coming year, under the current macro conditions that relate to COVID-19.

The profit for the year was therefore £24,258 before paying Corporation Tax due of £5,443. This represents a decline in profit of £5,117 compared with £29,375 last year. This is all due to the lower rental income, supported by reduced spend on repairs and maintenance.

There are full details included in the audited accounts, however £5,423 has been spent on repairs and maintenance, which includes a new door and partition wall for the walk-in fridge, internal door repairs, lighting repairs for the car park and electrical inspection and certification.

In Year 7 no money was raised from Share Subscriptions, however £21,888 was redeemed (attributable to 6 members who left the area), leaving the balance of Share Capital at £169,444.

In addition, rent plus interest and sundry sales generated £46,659. This includes the long-term release of the CIF grant at £799 per year.

Additionally, there have been other day to day running costs, capital and interest costs for the loan from David Harding as well as the allowance for interest on investors' share capital, and this makes up the rest of the expenditure.

As at 24<sup>th</sup> March 2020 the Society has £114,503 in cash, which together with the quarterly rental payments from the pub and any further share subscriptions, will be used to pay the running costs of BNCS, make the loan repayments and provide funds for future development. As at 30 Jun 2020, there was £104,637.29 cash in the bank.

The committee recommends the payment of interest on shares out of the trading surplus at a rate of just over 2.228% (i.e. 1.5% above base rate, blended based primarily on a base rate of 0.75%, then 0.25% and finally 0.1%). This will total £4,036 and has been provided for in the accounts at £3,994, as presented.

Interest will be paid out following the AGM if approved. This year we will be inviting shareholders to roll up interest if they wish to.

## **Building Works**

There has not been significant premises work undertaken this year, but what there has been is listed on page 2. Competitive quotes are obtained for works undertaken and we are pleased that in most cases we have been able to award the work to local businesses.

BNCS will continue to strive to realise the community's original vision for the Seven Stars. We would like to thank everyone who continues to support BNCS and make the Seven Stars a success year on year.

**The Management Committee**  
**12<sup>th</sup> August 2020**