



THE SEVEN STARS  
at  
MARSH BALDON



## **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 2021**

### **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 committee members for the period ending 24 March 2021 were:

Chris Lake (Chair)  
Phil Collins (Vice Chair)  
Catherine Rohll (Secretary)  
Phil Gardner (Treasurer)  
Fran Butler  
Dave Greenaway  
Mark Tidmarsh  
Robin Timms  
Simon Winn  
Liz Jones (co-opted)

Catherine Rohll and Robin Timms are standing down as it is the end of their three year term but are both standing for re-election. Fran Butler and Mark Tidmarsh 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 Thursday 8<sup>th</sup> July. 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 5 ordinary meetings of the BNCS Committee in the financial year 2020-21. There were also numerous ad hoc meetings of various Sub Committees and Committee Members relating to the change of tenant.

## 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.

## Trading

Trading of the Seven Stars in the year to 24<sup>th</sup> March 2021 was £157,572 (previous year £545,550) most significantly impacted by enforced closures and restrictions due to COVID. Q1 (Mar-Jun) rent was waived and for the remainder of the year, BNCS reinstated a 10% of turnover rent with no minimum. We therefore collected rent of £15,757.90.

## Shares

In Year 8 of BNCS there was no additional share capital raised. £13,332 of share capital was repaid to 6 shareholders who have deceased, left the area and in one instance requested withdrawal of funds due to financial hardship. There was a further reduction of £11 due to a true-up between the accounts and the share register. This puts the current share capital at £156,463 as at end of the year (24<sup>th</sup> March 2021).

## Covid

Covid was obviously a major issue as the pub was closed for most of this period. Thus there was very little income from Matt Ford as we agreed to vary the base rent to £0 on the basis that if he is not earning, it is difficult to ask him to pay. Any turnover for the brief periods that he was open attracted an agreed 10% of turnover.

## New Lease

In order to transfer the lease a number of changes and updates had to be made to the original lease. Whilst all the Committee was involved in various parts of the changeover, in particular, a huge vote of thanks for the enormous amount of work that was put into the legal side by Liz Clark Jones (who was co-opted for this task) and Catherine Rohll.

We have varied the lease a little so that it is less onerous on the committee. From the 24<sup>th</sup> March the lease became Full Repairing for both inside and outside, with the exception of repairs to the roof and chimneys. This reduces our exposure to funding repairs. The rent payable has been returned to the original 10% of turnover with a floor of £40,000 per annum (provided there are no government restrictions on opening) and is now payable monthly in arrears as opposed to quarterly.

The lease will run for a 10 year period and thus we can hope for some good stability.

## New Tenant

Mark Higgs is the owner of Free Spirit Pubs Ltd, which already has 3 other pubs in the Group:



We believe that we are very fortunate to have our new tenant. Mark and his team have put a lot of work into upgrading both inside and outside. The garden area has been upgraded and also has its own herb garden area. Inside is brighter and some of the furniture has been upgraded, as well as the bar area. The kitchen and pot wash area has also seen new equipment as well as a thorough deep clean whilst it was closed.

## Community use and vision

Mark and his team, led by general manager Kevin, are very keen continue 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.

Because of Covid there has not been an opportunity to run events etc. But it is hoped that these will again be possible once Social Distancing is relaxed.

**Reviews** The pub is now improved to #28 out of 438 for restaurants in Oxford. 514 of the 581 reviews are at Good or Excellent (same as last year at 88%).

## Membership & Membership Strategy

We currently have 152 members with a total shareholding: £156,463 (2020/21 End of Year).

£13,332 worth of shares (relating to 6 members all of whom had left the area, deceased or requested a refund based on financial hardship) 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.

It is hoped that we will encourage those who are relatively new to the village ie since our last fund raising in 2019, to participate in shares in the pub, particularly now that we have a new tenant and hopefully the worst of COVID behind us.

## Finance Report

The audited accounts presented today show that the Society is in good health financially, despite a challenging year of trading and therefore minimal rent collection. COVID has had a profound impact within the 2020/21 specifically and with a change in tenant and hopefully the worst behind us, we remain optimistic based on a strong start.

The loss for the year was therefore (£2,493) before paying Corporation Tax due of £353. Corporation Tax is due, despite a loss, as the depreciation of £4,338 is subject to tax. The loss is due to the lower rental income, however was also partly due to one off legal and professional fees relating to the change in tenancy and new lease. These one-off costs total £9,826.

There are full details included in the audited accounts, however £6,041 has been spent on repairs and maintenance, which includes flat roof works, generator servicing, callout and repair and outside painting.

In Year 8 no money was raised from Share Subscriptions, however £13,332 was redeemed (attributable to 6 members), leaving the balance of Share Capital at £156,463.

In addition, rent plus interest and sales of fixtures and fittings generated £37,778. This includes the long-term release of the CIF grant at £799 per year. There was then the purchase of fixtures and fittings from the previous tenant of £10,681, resulting in £27,097. The one-off income from fixtures and fittings, net of the purchase from the previous tenant was £10.5k

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 2021 the Society had £69,860 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 28 Jun 2021, there was £82,239 cash in the bank (including petty cash) which also includes £10,000 held in a deposit account which is the new tenant's deposit.

The committee recommends the payment of interest on shares out of the trading surplus to date at a rate of 1.6% (i.e. 1.5% above base rate). This will total £2,735 and has been provided for in the accounts.

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 3. Competitive quotes are obtained for works undertaken and we are pleased that we have been able to award the work to local businesses.

With the new tenancy arrangement, all repairs, maintenance and building work will now be the tenant's responsibility with the exception of anything structural regarding the roofs and chimneys.

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**  
**27<sup>th</sup> July 2021**