



# 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 2022**

#### **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 2022 were:

Chris Lake (Chair)  
Phil Collins (Vice Chair)  
Catherine Rohll (Secretary)  
Phil Gardner (Treasurer)  
Dave Greenaway  
Robin Timms  
Simon Winn

Chris Lake and Simon Winn are standing down as it is the end of their three-year term but are both standing for re-election. 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 20<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 4 ordinary meetings of the BNCS Committee in the financial year 2021-22.

## 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, there is little to report as the terms of the new lease with Mark Higgs provide that the tenant is responsible for all maintenance except for the roofs and chimneys which BNCS remains responsible for.

In the last year, BNCS has carried out some work to the flat roof above the main bar area as there was evidence of some leaks in that area. BNCS also replaced a wooden door at the back of the premises which was not shutting properly as this had been a problem since before Mark Higgs took on the lease. It also paid for some electrical testing and work resulting from that.

## Trading

Trading of the Seven Stars in the year to 24<sup>th</sup> March 2022 on which we collected rent was £468,877 (previous year £157,572) with rent payments starting on 1<sup>st</sup> May 2021, following the easing of most of the COVID restrictions.

## Shares

In Year 9 of BNCS there was £13,362 additional share capital raised which included £362 of rolled up share capital from the 2020/21 interest payments. £9,470 of share capital was repaid to 4 shareholders. This puts the current share capital at £160,355 as at end of the year (24<sup>th</sup> March 2022).

## Covid

Covid was obviously a continuing issue for the pub through much of 2021 and in the early part of 2022. Trading in the run up to Christmas was particularly badly affected as the numbers of people infected increased again and Government advice changed to suggest people should not be socialising.

## New Lease

So far the arrangements under the new lease are working well for BNCS. 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 it is now payable monthly in arrears as opposed to quarterly. However, the continued threat of Covid through much of the previous year, combined with the difficulty in finding and recruiting staff, supply chain issues, inflation and eye watering increases in energy prices have meant that the arrangement is not working so well for Mark. While turnover is increasing, the Seven Stars is not as profitable as it should be and the Committee is working with Mark to discuss ways in which BNCS can help with this situation.

## 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 to provide opportunities for villagers to meet and socialise.

Covid has made it difficult to run many events, but the Seven Stars did host a New Year's Eve dinner, an Easter Egg Hunt and a highly popular Mother's day event. There have also been a number of private events held at the pub this year.

**Reviews** The pub is now rated as #31 out of 438 for restaurants in Oxford. 540 of the 611 reviews are at Good or Excellent (this is the same percentage as last year at 88%).

BNCS, with input from the Free Spirit Pubs team has recently circulated a questionnaire to the community seeking input on how to make the pub even more attractive to locals. The results of the survey will be discussed at the AGM.

## Membership & Membership Strategy

We currently have 151 members with a total shareholding: £160,355 (2021/22 End of Year).

£9,470 worth of shares have been redeemed and there was £13,362 of 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, supported by an increase in rent payments post COVID, albeit still building to reach the pre-COVID peaks.

The profit for the year was therefore £30,825 before paying Corporation Tax due of £6,681.

There are full details included in the audited accounts, however £3,675 has been spent on repairs and maintenance, which includes flat roof works, kitchen back door replacement, repair of signpost and some electrical testing and repairs. Some of this work should have been completed prior to the tenancy change and would therefore fall to the tenant in future.

In Year 9, £13,362 money was raised from Share Subscriptions, however £9,470 was redeemed (attributable to 4 members), leaving the balance of Share Capital at £160,355.

In addition, rent plus interest generated £47,694. 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 2022 the Society had £90,130 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 20<sup>th</sup> June 2022, there was £98,170 cash in the bank (including petty cash) which also includes £10,003.34 held in a deposit account which is the new tenant's deposit with some accrued interest.

The committee recommends the payment of interest on shares out of the trading surplus to date at a rate of 1.97% (i.e. 1.5% above base rate). This will total £3,204 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.

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 2022**