



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 24th March 2024

Society Address

8A The Green, Marsh Baldon, Oxford, OX44 9LW

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 2024 were:

Chris Lake (Chair)
Phil Collins (Vice Chair)
Catherine Rohll (Secretary)
Phil Gardner (Treasurer)
Dave Greenaway
Robin Timms (resigned 23 January 2024)
Sally-Anne Williams
Lewis Gerring (appointed 8 August 2023)

Catherine Rohll is standing down as it is the end of her three-year term however is 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 Friday 5th 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 3 ordinary meetings of the BNCS Committee in the financial year 2023-24.

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.bncsltd.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

The main focus of activity over the last year has been to work with the new tenants as they build their business.

In terms of work on the pub premises, there is little to report as the terms of the new lease 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 paid for the installation of a grease trap, costing £3.4k, to mitigate ongoing issues with waste disposal as agreed with the previous tenant and therefore as part of the lease reassignment. BNCS also carried out some further work on the flat roof above the bar area to deal with a water leak.

Trading

Trading of the Seven Stars in the year to 24th March 2024 on which we collected rent was £532,091.51 (previous year £527,543.78). There was a period of closure for approximately one month in the run up to the new tenants arriving and reopening on 23rd June 2023. In June 2022, turnover was £44k, so it would be reasonable to add this to the £532k above for a more accurate comparison to prior year.

Shares

In the year 2023/24 BNCS received £5,632 of additional share capital mainly from 8 new shareholders but also including £232 of rolled up share capital from the 2022/23 interest payments. £4,046 of share capital was repaid to 2 shareholders. This puts the current share capital at £157,003 as at end of the year (24th March 2023).

Community use and vision

Namit and Sunit have demonstrated an enthusiasm 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.

They have held numerous events, including themed nights, music events and quiz nights. Whilst these have had mixed success, building a market and reputation for these events continues to be their focus. Support from villagers is key to making these a success. In the mid and late summer of 2023 there were several classic car meets on the Green, which will be taking place again in 2024.

Reviews

As at 1st June 2024, the pub is rated as #30 out of 380 for restaurants in Oxford. 586 of the 655 reviews are at Good or Excellent (this is at 90% versus last year at 88%). It is very encouraging to see the volume of 5 Star reviews, from the most recent visits.

Membership & Membership Strategy

We currently have 156 members with a total shareholding of £157,003 (2023/24 end of Year).

£4,046 worth of shares have been redeemed and there was £5,632 of new investment.

Our core strategy regarding investment is:

- To encourage existing shareholders to maintain 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, particularly with the BoE base rate at the highest levels since the start of this community venture.

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 Baldon and Nuneham Courtenay community.

In the last year it was a focus of the Committee to attract those who are relatively new to the village and we have done two rounds of newsletter inserts (in December and April) to generate interest from new shareholders. Whilst this generated 8 new shareholders, higher than in recent years generally, it highlights that support from all shareholders is required to encourage engagement from new shareholders.

We are of course mindful that with the increase in interest rates, the interest payments are more costly, therefore shareholding is more centred around inclusivity and breadth of membership versus the overall value of share capital.

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. It was agreed with the new tenants that the rent would be 6.5% of turnover in their first year. This was to enable them to invest in and grow the business while still making some return for themselves.

In the last financial year, BNCS received £37,205 in rent and interest. There is a further £799 income from the long-term release of the CIF grant which has already been received.

The day to day running costs of BNCS and interest costs for the loan from David Harding as well as the allowance for interest on investors' share capital makes up the expenditure of £25,154. In addition, there is the standard annual capital repayment of the loan from David Harding of £12,375.

The profit for the year was therefore £8,512 before paying Corporation Tax due of £1,871. There are full details included in the audited accounts, however the biggest impact year on year is the increase in the interest payments of £7.8k, due to the increase in BoE base rate.

£5,632 money was raised from Share Subscriptions, however £4,046 was redeemed (attributable to 4 members), leaving the balance of Share Capital at £157,003.

Given the higher interest rates and cash in the bank, as indicated at the 2023 AGM, the committee has paid down an additional £20k of capital on the mortgage. This means that the outstanding mortgage at year end was £94.5k versus £123.8k at the same time in 2023. £20k of additional capital repaid saves £1.4k in interest per year, at the current BoE base rate. A further additional £10k has been repaid since the end of the 2023/24 financial year.

As at 24th March 2024 the Society had £91,699 in cash (including £10,069 tenant's deposit with some accrued interest), 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 of 1st June 2024, there was £75,858.94 cash in the bank (including petty cash) which also includes £10,150.80 held in a deposit account which is the tenant's deposit (including interest accrued).

The committee recommends the payment of interest on shares out of the trading surplus to date at a blended rate of 6.52% (i.e. 1.5% above blended base rate). This will total £10,185 and has been provided for in the accounts.

Interest will be paid out following the AGM if approved. Shareholders can roll up interest if they wish to, however interest will be paid as a default.

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
5th July 2024