

## **Beckley & Area Community Benefit Society Ltd**

### **Chair's Report - Annual Members' Meeting, 24<sup>th</sup> November 2021**

#### **The Abingdon Arms and COVID 19**

2021 has been a tough one for the Abingdon Arms, as was 2020. The constantly changing rules for pubs over COVID restrictions have been onerous. These necessary restrictions have greatly limited their business, but our tenants have risen to the challenge. On top of the restrictions themselves, when they ended, the nationwide shortage of staff in the hospitality sector has been a real challenge. It has meant that many of the staff are inexperienced youngsters who all needed training. Along with the turnover of such staff, off to university etc, it's been a very trying time. In addition, there have been rises in the costs of running the pub (especially energy costs) and employing staff, with more to come; for example, the coming VAT rises imposed on the hospitality sector in October, and higher still from April 2022. This means that income generation is critical if our tenants are to survive.

A variety of actions taken by the tenants have helped keep everything afloat. The decision to invest in a wood fired pizza oven in 2020 was clearly an inspired one and has been extremely successful. The 'Capri' tent has meant that diners and drinkers could be accommodated outside under cover even when raining. This temporary tent is being replaced by a permanent awning covering just the top terrace early next year once planning permission has been granted.

It is going to continue to be a challenging environment for the pub. Understandably some are still hesitant to gather in a crowded environment, even if vaccinated. We hope that the Christmas menus the pub has on offer will be a sufficient enticement to join in the festivities.

More recent news is that Suzy decided for personal reasons to step down from being one of the directors of 3catering (the tenants) and then subsequently decided to pursue new avenues for her talents. We will miss her enthusiasm, and are very grateful for the enormous efforts she and Alex made to keep the pub open during the lockdowns when so many pubs closed.

#### **BACBS**

The committee continues to maintain a close dialogue with the tenants to ensure that the pub goes on serving the community who bought it, as well as others. There is a balance to be struck between it being a village pub and a destination restaurant, the latter bringing in more income and thus making the business financially more viable. Now that COVID is abating, we hope to see all sorts of activities and events attracting local custom. In the new year we will carry out another survey to find out what the community would like to see from the pub and from BACBS. Since Covid, the steer has been to do whatever it takes to keep the pub afloat, and this obviously has to remain a high priority.

When the pub was originally bought from the Brakspear pub company in 2017 there was a major share offer that raised the funds to do this (£470,000 raised in four weeks!). More recently, we have had enquiries from people new to the village who would like to invest in the pub and become Members of BACBS, and we have also been looking for ways to raise money to continue to develop the structure of the pub and its garden - see 'Projects' below for some of our ideas - and to ensure BACBS' and the pub's continuing success. We will therefore be launching an Open Share Offer shortly to permit further investment, which will be available both to newcomers and to current investors who might like to invest a little more. In addition, we need to build up a little more capital to enable those in need to withdraw their investment. The Share Offer document and application forms will be available on our website in due course.

Two new members joined the committee last November, and for the coming year we have decided to expand the committee membership to 11 members. We have committee meetings approximately monthly with extra meetings as required. Last year's committee was made up as follows:

Adam Jeffrey (Treasurer)  
Cathy Davies (More than a Pub activities)  
Dave Drew (Property management)  
Gabriel Brodetsky (Secretary)  
Jerry Bloomfield (Membership Secretary)  
John Stradling (Chair)  
Lise Estcourt (Social media)  
Nin Kelay (Tenant liaison)  
Sam Clarke (Vice chair)  
Susy Jepson (Tenant liaison, legal input)

Adam, Nin and Lise have now reached the end of their three-year term of office. Lise has decided not to stand for re-election – and we thank her for all her work for BACBS (she will however remain as village liaison person for Noke). Adam and Nin have decided to stand again, and will be joined on the committee by John Walsh and Rick Kealy. Welcome.

### **More than a Pub activities (MtaP)**

During the various lockdowns, we have been able to keep the Sunday evening talks and monthly quizzes going through Zoom. This has also benefitted BACBS members who would normally be unable to come to the pub for these events as they live too far away. Between 30 and 50 members have 'Zoomed in' to the talks and quizzes, and they worked very well, with enthusiastic support. The talks have been recorded for later viewing if required, another bonus. Since the end of restrictions, some of the talks have returned to the pub with good attendance; however, we have continued to also 'Zoom' them so that those still unhappy to be in a building with others can benefit, as well as the long-distance viewers. This is mostly working well, apart from the seemingly inevitable last minute technical issues, and we intend to continue these 'hybrid' meetings for the time being. The quizzes have resumed as well-supported live sessions in the pub.

During the restrictions most other MtaP activities (such as the monthly jazz gigs) had to cease, although we did run popular 'treasure hunts' for families in Beckley and Horton cum Studley over the Easter holidays. Since the end of restrictions, we have managed to restart the community walks, and other activities are planned for the new year.

### **Good Neighbour Scheme.**

This was set up in 2019 to offer lifts to people who are unable to get to GP and hospital appointments, for example. It has been manned by 10 safeguarding-checked drivers. Initially there were a number of people needing lifts, but this has gradually reduced despite regular advertising of the service. We assume this means that people in this area have good support already from friends, neighbours, and family. The scheme is still available to all residents of Beckley, Elsfield, Forest Hill and Stanton St John, and is intended to complement the schemes already provided for residents of Horton cum Studley, Noke, Woodeaton and Islip.

### **Welcome packs**

A regularly updated welcome pack is available for new residents of Beckley, containing lots of useful information. If you know of anyone new to Beckley moving into your 'patch', please let us know, and we will deliver one of these packs to them, Email [john.stradling@ouh.nhs.uk](mailto:john.stradling@ouh.nhs.uk). This information is also available via the BACBS website.

### **Grants**

Over the last year we have applied for grants to support construction of a path from the car park to the terrace, to be used by wheelchairs and buggies etc. (see below under 'Projects'). We were awarded grants of £2,250 from a local lottery fund, and £2,000 from the Bruce Wake Trust, which will cover about half the expected cost.

## **Projects**

### *Step-free access to the lower terrace*

As mentioned under 'Grants', we decided that a path from the car park would be the only way to enable wheelchair users, buggies, etc to easily reach the lower terrace and enjoy the fantastic views across Otmoor. We have previously considered the possibility of installing an external lift from the steps at the back door of the pub to the upper terrace. However, this proved to be a hideously expensive solution. We have therefore engaged Marlake Landscaping to construct a path to the lower terrace, and we hope it will be completed before Christmas. Although half the cost has been covered by grants, we are hoping that further share purchases, under the new Open Share Offer, will provide the rest. Phase two of this project will be to create a wheelchair friendly path across the car park to the new garden path. This needs to withstand heavy vehicles driving over it so needs to be carefully constructed and will require further funds.

### *Maintenance and repairs*

Although significant repair work has been carried out in the pub since our purchase of it and subsequently, further repairs and updating are needed. In particular, the upstairs is in a poor state, with ceiling and floor repairs being particularly urgent. Such repairs and maintenance are the responsibility of BACBS as this comes under the 'fabric of the pub'. Staff live in the upstairs accommodation, and we would like to improve this to aid the tenants in recruiting staff to come and work at the pub. Examples of improvements, apart from general decoration, include installing double glazing.

### *Gazebo*

Finally, there has been some enthusiasm for an open gazebo on the lowest part of the garden that could accommodate children's (and adults'!) parties for example, for around 20 people. This would mean parties could be held without disturbing other pub users, whatever the weather.

All these projects require financing, and we hope the Open Share Offer will go some way to making them possible. If anyone has other ideas that would make the pub more attractive to both customers and staff, we would be pleased to hear about them.

## **The future**

What of the future? As already mentioned, we intend to carry out a survey to find out what the community sees as important, and this should provide a useful steer. Ultimately, we have a responsibility to ensure that the pub survives, that we have the best possible tenants, and that it remains a central focus for Beckley and surrounding villages.

Lots of people give their time to support this venture and, if there are others who would like to help, then we would be very pleased to hear from them! Email [info@bacbs.org](mailto:info@bacbs.org).

### **John Stradling**

Chair, BACBS Ltd

12<sup>th</sup> November 2021

# Beckley & Area Community Benefit Society Ltd

## Treasurer's Report - Annual Members' Meeting, 24<sup>th</sup> November 2021

This report is supplementary to, and should be read in conjunction with, the Annual Accounts prepared for BACBS by our accountants David Cadwallader & Co Ltd covering the financial year to 30<sup>th</sup> September 2021.

### Introduction

Reading Gabriel's report from last year, I could almost cut and paste the bit about Covid having a significant impact on our income. Of course, this is only because the pandemic and associated restrictions have impacted the tenants' business and income. We are thankful that we were able to keep our outgoings down to allow rent reductions during times of restricted trading.

### Financial Summary

- **Income: £23,547** (2020: £50,975, of which grants were £38,503)

Our income is made up of rent payments from our tenants, grant income, and a small contribution coming from the sale of local walking maps/booklets and from donations. The income comprised the following:

Grant	£2,250	National Lottery Community Fund
Rent	£16,083	
Insurance Recharge	£1,417	
Share Sales	£3,500	
Sale of maps/guides	£296	
Total	£23,547	

Excluding grants, our income was a fair bit higher than last year but still below a "normal" year of income as we gave a full rental holiday for five months (November to April). We have increased rental payments from 1<sup>st</sup> November in line with the tenancy agreement so they are now at a level they would have been without Covid.

- **Expenditure: £22,109** (2020: £31,949)

Our expenditure includes costs associated with improvement and maintenance of The Abingdon Arms, loan repayments, and the overhead costs of running the Society.

Loan repayments	£11,023
Insurances	£3,352
Property Improvements	£6,014
Accountants	£725
Admin expenses	£615
Licences/subscriptions	£380

Perhaps unusually, but gladly welcome, we have not had to make any property repairs in this last year. It is to be expected that this won't be the same every year!

- **Debt: £56,823** (2020: £64,105)

The capital outstanding on our two debts at the end of the financial year was as follows:

**£30,639** CCF loan for accessibility project

**£26,184** Private loan

Both our creditors allowed us to make interest-only payments for the period that we were granting our tenants a rent holiday, for which we were very grateful.

- **Cash at bank: £70,662** (including tenant's security deposit) (2020: £70,518)

Our policy is to maintain cash reserves of a minimum of £30,000 to allow for unexpected expenditures and uneven cash flows. Our intention is to reduce the current surplus by repaying some or all of the private loan as soon as there is less financial uncertainty as a result of Covid-19. We will review this after the first Quarter of 2022.

- **Profit/(loss) before taxation: £11,920** (2020: £1,537 loss)

We made a profit of £11,920 for the year, lower than would be expected in a normal year due to significantly reduced rental income.

## Balance Sheet

Our balance sheet (share capital plus reserves) stands at **£531,457** (2020: £516,037). Please see the Unaudited Annual Accounts for a detailed breakdown of our financial position. The difference from last year stems from lower debt balances and increases to the asset value through improvements and purchases.

## Interest payment to shareholders

It is worth repeating what was in this report last year:

*“Our share offer prospectus stated our intention to start paying interest to Members holding ‘A’ shares as soon as we have sufficient surplus funds available, i.e. enough to cover our overheads and retain adequate reserves to meet unexpected costs. We anticipated at the time that this would be at least four years after the share offer.*

*This situation is unchanged and so, in line with the share offer prospectus, the Committee does not recommend that we make any payment of interest in the coming year.*

*The huge uncertainties arising from the Covid-19 pandemic mean that any financial forecasts come with the caveat that the eventual results for the new financial year are very hard to predict with a high level of certainty.*

*That said, on the assumption that we're able to operate for the full year on a 'business as usual' basis, we expect our rental income to be £29,500, and our expenditure to be in the region of £16,000 plus unplanned property maintenance costs. On this basis we hope to be in a position to recommend at the 2021 Annual Members' Meeting our first payment of interest to holders of 'A' shares in the following financial year (i.e. 2021/22).”*

Evidently, the last twelve months has not put us in the position that we hoped. Whilst our overall finances have improved, we are still down on where we wanted to be now. As such, we will continue to keep this under review at Management Committee meetings.

## **Withdrawal of shares**

Our share offer prospectus stated that share withdrawals would not be considered for a minimum of three years, and then only if we had built up sufficient reserves, which in all likelihood would not be until at least five years from the offer.

This situation is unchanged and so, in line with the share offer prospectus, the Committee has decided not to authorise share withdrawals in the financial year 2021/22 (except as required by our Rules).

## **Annual audit exemption**

Because the Society has assets of less than £5.6m and turnover below £2.8m we are not legally required to undertake a full annual audit and can instead submit an ***unaudited financial report*** to the Financial Conduct Authority – subject to approval by the Members. The cost of a full audit would be at least £3,000, whereas the annual financial report prepared by our accountants costs us in the region of £750 so the financial saving is considerable.

As discussed at a previous Annual Members' Meeting, because we don't handle any cash, and have a relatively small number of financial transactions in any year, it was agreed that we don't as a matter of course need to undertake a full audit. It was suggested that we should consider having a full audit periodically, or if unusually high levels of income and expenditure are anticipated in the year.

The Committee envisages that in the coming financial year (2021/22) the Society will be making a relatively small number of financial transactions and therefore recommends that an unaudited financial report will suffice.

## **Adam Jeffrey**

Treasurer, Beckley & Area Community Benefit Society Ltd

4<sup>th</sup> November 2021

# Beckley & Area Community Benefit Society Ltd

## Secretary's Report - Annual Members' Meeting, 24<sup>th</sup> November 2021

### Membership Strategy

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Our membership strategy remains unchanged, which is to address how the Society ensures that our membership remains central to the enterprise, whereby we continue to grow our membership and engage our members. Its focus therefore is on the activities relevant to encouraging new membership and member participation.

### Current considerations

#### Open Share Offer

We will shortly be launching an Open Share Offer (ie an offer without a predefined end date) to raise new share capital which we propose to use (a) for improvements to The Abingdon Arms, and (b) to facilitate share withdrawals for existing Members. The Open Share Offer will be fully publicised shortly. As well as seeking new Members, we also invite existing Members to increase their shareholding (subject to limits that will be set out in the offer document).

#### Interest payments to Members

Our hope this time last year was that we would be able to start paying interest to holders of 'A' shares in the current financial year (2021-22). However, the Management Committee's overriding financial responsibility is to ensure that BACBS remains on a sustainable and secure financial footing. Given our reduced income last year, and the continuing uncertainty about how the Covid pandemic will affect the pub, we have decided to defer making a decision on paying interest for the time being.

#### Share withdrawals

The Society's 'A' shares become eligible for withdrawal (i.e. shareholders can recover their investment) from June 2022, albeit subject to Management Committee approval. The reduction in our income during the pandemic means that as things stand we don't anticipate being able to allow withdrawals this financial year. However, if the soon to be launched Open Share Offer results in sufficient new share capital being raised, then the Committee will revisit this decision. Please be aware, however, that when we are finally able to start approving share withdrawals there will be a very limited sum of money available for this purpose each year.

### Membership Overview

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BACBS has a total of 293 Members, of whom 239 are voting shareholders (ie first named on the official share register).

By value, 'A' shares account for £384,750 of our share capital (75%) and 'B' shares account for £127,000 (25%).

During the past year, our membership has changed as follows:

- Three new Members have been added to the Share Register.
- One Member has sadly died.

- Two Members requested that their 'A' Shares be reassigned as 'B' Shares (ie they no longer wish to be eligible to receive interest or to withdraw their shares). The Management Committee agreed to this generous request.

## **BACBS Formal Policies & Procedures**

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The following formal policies or procedures have been agreed and implemented during the past year. They will appear on our website in due course.

- Management Committee code of conduct
- Anti-racism policy
- Complaints procedure (work in progress)

## **Management Committee**

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During the past year the Management Committee met 11 times (10 by Zoom and once in-person).

The members of the Management Committee for the coming year will be:

Adam Jeffrey (Treasurer 2020-21)\*  
 Cathy Davies  
 Dave Drew  
 Gabriel Brodetsky (Secretary 2020-21)\*  
 Jerry Bloomfield  
 John Stradling (Chair 2020-21)\*  
 John Walsh  
 Nin Kelay  
 Rick Kealy  
 Sam Clarke  
 Susy Jepson

\* The Officers of the Society for 2021-22 will be selected at the first meeting of the Management Committee following the AMM.

You may be interested to know that the membership of the Management Committee broadly reflects the geographic distribution of the Society's membership as a whole.

<b>Distribution</b>	<b>Beckley residence</b>	<b>Non-Beckley residence</b>
Membership	71%	29%
Committee	70%	30%

**Gabriel Brodetsky**  
 Secretary, BACBS Ltd

12<sup>th</sup> November 2021