

Beckley & Area Community Benefit Society Ltd

Chairman's Report to the Annual Members Meeting, 28 November 2018

Introduction: The introduction to my first Beckley & Area Community Benefit Society (BACBS) annual report, in November 2017, bears repetition with only minor editing: *'BACBS was established in September 2016 in order to purchase The Abingdon Arms for the benefit of the community, and to secure its future as a thriving community-owned pub. It is now a welcoming free house which serves a range of local beers, good quality wine and soft drinks, and excellent freshly-cooked food prepared using locally sourced ingredients when possible. Our vision was, and is, for The Abingdon Arms to be at the heart of our community, accessible to all, a place to meet people, exchange ideas, and come together for recreational and cultural activities. In this way, BACBS aims to support a friendly, welcoming and cohesive community'*.

The Society's second year of operation has seen both consolidation and exciting progress. BACBS is in good health, as will be evident from the Treasurer's and Secretary's reports. Highlights of the year include:

The Abingdon Arms – Aimee Bronock, Joe Walton and their excellent front of house and kitchen teams have consolidated, then extended on the promise with which they commenced their tenancy of The Abingdon Arms in June 2017. It is once again a welcoming and vibrant country pub, serving both the local community and increasing numbers of visitors from further afield. The food, drinks and warm welcome they offer are greatly appreciated!

In astonishingly short order, our tenants have achieved prestigious awards which affirm the quality of their stewardship of our community pub. Even before the end of their first year, Aimee, Joe and team had won the **Alastair Sawday Community Pub of the Year Award 2019** and entry in **CAMRA's Good Beer Guide 2019**, followed by entry in **The Independent's** list of **Best Sunday lunches**.

Proof that The Abingdon Arms is a community local in all respects is provided by Head Chef Joe's commitment to sourcing his ingredients locally as far as possible and freshly preparing all meals. Bar Manager Ben Alden has pleased our many real ale drinkers by sourcing an excellent range of beers from our numerous local microbreweries.

The Society's relationship with our tenants is very important, so two committee members (Susy Jepson and Adam Jeffrey) have regular meetings with Aimee and Ben to address issues. Aimee and her colleagues have contributed to the planning for fully accessible toilets, the construction of which will enable us to fulfil our commitment to provide a pub which caters for all members of our community.

Grants – BACBS has been awarded four grants since inception, three in this past year. Two will be explained in the section below on our accessibility project.

From **Scottish & Southern Electricity Networks (SSEN) Resilient Communities Fund**, BACBS won a grant of £1500 for the purchase of a heart defibrillator, installation of which on the pub's outer porch wall was funded by Beckley Parish Council. We were also awarded £1000 by the **Mid-Counties**

Co-operative Society's Community Fund to support the introduction of community lunches at the pub. More on this below.

Accessibility Project - It has taken a long time but, following consultation with our Members and a concerted fund-raising drive, BACBS is now able fully to finance improvements which will make The Abingdon Arms (except for the garden and terraces unfortunately) fully accessible. Our 'accessibility project' includes partially levelling and widening the front entrance door and construction of fully accessible toilets, accessed from within the pub and with modern baby-changing facilities.

This work has been made possible by two very generous funding streams: (1) a matched grant and loan of £100,000 which we were offered two years ago (yes, 2 years!) from the **'More than a Pub' Programme** (grant from the Department of Housing, Communities & Local Government and Power to Change / Big Lottery, loan from Co-operative & Community Finance); and (2) a grant of up to £101,000 from **South Oxfordshire District Council's Community Capital Grants** fund. BACBS is very grateful for this magnificent financial support.

Andy Paterson Architects were appointed to draw up plans for a new, accessible and energy-efficient toilet block which will meet the local authority's stringent Conservation and Listed Building regulations. Through a competitive tendering process, Classic Builders (Watlington) have been selected to construct the facility and all being well, once SODC's legal requirements are agreed, work on site will commence mid-November. The construction will take up to 6 months, weather permitting. Inevitably there will be some disruption, *so it is hoped that all Society Members will support the pub by eating, drinking and making merry at The Abingdon Arms during this time!*

'More than a Pub' Programme – Even before successfully purchasing The Abingdon Arms two years ago, BACBS had secured the invaluable support of the 'More than a Pub' (MtaP) Programme administered by the Plunkett Foundation. As well as the substantial grant (see above) for our Accessibility Project, MtaP has supported introduction of a range of activities and amenities which make The Abingdon Arms *more than a pub* – to date community coffee mornings and Beckley lunches, table games sessions, community walks, a children's after-school activity café, jazz and folk nights, and a literary programme.

The literary programme has included very well-attended talks about or by authors who have associations with The Abingdon Arms or local area – Evelyn Waugh (Prof Martin Stannard), John Ruskin (Prof Robert Hewison), Patrick Leigh Fermor (Chris White), J P Delaney (Tony Strong) – and poetry meetings held in conjunction with Oxford's Stanza 2 group, including one devoted to the Otmoor poetry of David Attwooll. The association with Evelyn Waugh was celebrated in July with the unveiling of a blue commemorative plaque on the pub's front wall and a celebratory feast featuring dishes eaten by Waugh at The Abingdon Arms. Our thanks to Adrian Pennink and Tony Strong for proposing and organising this memorable occasion.

While the folk nights have ended and the table games sessions are on hold at present, other MtaP activities are going strong. There are new plans to introduce community afternoon teas, possibly combined with table games, and community lunches which are open to residents of our wider community. We will welcome Members' other suggestions.

Call for volunteers: More than a Pub activities succeed because of the active contributions made by a number of volunteers, as well as those who attend. To continue and develop the programme, *we need more volunteers*. If you would be interested to help, please email mike.jd.hobbs@gmail.com

Good Neighbour Scheme: To meet the MtaP programme's commitment to inclusion, all members of our wider community need to be able to access activities undertaken at The Abingdon Arms. To enable this, we are considering establishment of a Good Neighbour Scheme (GNS) which would draw on volunteers to provide lifts to and from the pub, and perhaps eventually lifts to other places, e.g. GP and hospital appointments, and other 'befriending'. Noke, Woodeaton and Islip are well served already by the Three Parishes GNS, which might be extended to MtaP activities at The Abingdon Arms. Informal lift arrangements are operated already in Beckley and Horton cum Studley, but a proposal for a more formal 'Five Parishes' (Beckley, Elsfield, Horton cum Studley, Stanton St John and Forest Hill) GNS will be discussed at BACBS's Annual Members' Meeting on 28 November.

Policies – As would be expected of any responsible public body, BACBS takes seriously the interests, inclusion, safety and wellbeing of its Members, volunteers, other community members and all others with whom we come into contact. For this reason, BACBS has published Diversity, Safeguarding and Data Protection Policies which can be accessed through our website at <https://bacbs.org/policies>

The Plunkett Foundation – BACBS continues to receive very valuable support and advice from our colleagues at the Plunkett Foundation, an organisation which helps rural populations to set up community cooperatives. As the wheel comes full circle, we now receive requests for advice and support from other community groups intent on buying their local pub, and Gabriel Brodetsky has been appointed a Plunkett Foundation Advisor to other groups.

BACBS Management Committee – BACBS is at present managed by an elected committee of eight Members which is responsible for both the day to day running of the Society and for its strategic direction. In addition to the Secretary, Treasurer and Chair officer roles, each committee member holds specific areas of responsibility – please see Appendix 1.

Election of new Management Committee Members: Two members of the present Management Committee (Adam Jeffrey and Lise Traynor) will stand down at the Annual Meeting at the end of their terms of office, but both are standing for re-election. Because of the present volume of work, members of the Committee have decided to increase its number to ten at this 2018 election. For this reason, BACBS Members are being invited to vote for four candidates.

We aim then for a committee of ten which is representative of our wider Membership community and includes a range of relevant skills (legal, finance, property, communications, community engagement etc). If necessary, other Members could be co-opted for specific purposes.

The election is being held before the Annual Meeting by a ballot of all Members, each of whom is asked to vote for up to 4 candidates. The outcome of the ballot will be announced at the Annual Members' Meeting. Succession planning having been addressed last year by tiered terms of office, this year's new Committee Members will be elected for a term of three years. At the first meeting of the new Management Committee, the elected committee will select four officers, namely Secretary, Treasurer, Chair and Membership Secretary.

Governance: The Society is committed to respecting the philosophy with which the Society was established (to benefit the community, to operate on the basis of one member-one vote), to fulfilling the aims for which share capital was raised and The Abingdon Arms was purchased for the community, and to ensuring the asset is protected and developed to benefit the community now and for the future. The Management Committee is responsible for this programme, and is fully accountable to the Society's Members and the wider community.

BACBS: Together with our tenants, BACBS has achieved much in the past year. This would not have been possible without the unstinting support of all who have volunteered their time, energy and expertise to make this possible, Society Members and non-members alike. This includes members of the Management Committee who have worked so very hard behind the scenes throughout the year. On behalf of the Society, I thank you all.

Mike Hobbs

Chairman, Beckley & Area Community Benefit Society Ltd

5th November 2018

Appendix 1: BACBS Management Committee 2017-18 – elected members (with term of office & specific responsibilities):

Mike Baker (2 years - Property)

Gabriel Brodetsky, Treasurer (3 years - Finance, Legal)

Adrian Hampshire, Secretary (3 years - Society administration)

Mike Hobbs, Chairman (3 years - Community engagement, 'More than a Pub' programme)

Adam Jeffrey (1 year - Property, Finance)

Susy Jepson (2 years - Legal, Garden)

John Stradling (2 years - Property)

Lise Traynor (1 year - Membership Secretary, Communications)

Beckley & Area Community Benefit Society Ltd

Registered with Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, Registered No.7404

Registered address: Penny Cottage, Church Street, Beckley, Oxford OX3 9UT

Beckley & Area Community Benefit Society Ltd

Treasurer's Report to the Annual Members Meeting, 28th November 2018

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 30th September 2018.

The Society's finances at the end of the year are in a strong position.

Financial Highlights

- Our operating income for the year was **£28,480** (2017: £24,681), primarily coming from rent for The Abingdon Arms, grants from SSEN (for defibrillator) and the Mid-Counties Co-operative Society Community Fund (for community activities), and a small number of ad hoc donations.
- Our operating expenditure for the year was **£25,116** (2017: £23,859) covering maintenance and improvements to the property and the administrative running costs of the Society.
- Our total debt at year end was **£29,078** (2017: £30,000), this being the amount outstanding on the private loan that we were offered when we purchased the pub.
- At year end we had cash in hand totalling **£68,163** (2017: £66,443) excluding the tenant's security deposit.

Balance Sheet

Our Balance Sheet stands at **£509,436** (2017: £505,822). The majority of this (**£471,046** (2017: £470,201)) relates to the value of our fixed assets, ie the property, including improvements and expenditure associated with the purchase that can be capitalised. Please see the Final Accounts for a detailed breakdown of our balance sheet.

It should be noted that our cash in hand of **£68,163** at year end is significantly more than our original Business Plan assumed, which was based on maintaining reserves of c. £30,000 to meet any unexpected property maintenance costs, tenancy voids, etc. The difference is primarily due to the fact that we have not yet started spending the private loan we were advanced, in large part because the accessible toilets project was unavoidably deferred and had not started by year end.

Profit & Loss Account

From our total revenue of **£28,480** we made a gross profit for the year of **£25,893**. After taking allowable expenses etc into account our net profit for the year was **£3,364**. We are not liable to pay Corporation Tax this year as various capital allowances more than offset this level of profit. Please see the Final Accounts for a detailed breakdown.

Cashflow

Income

Total income (ie operating income plus other income) for the year was **£30,169** made up as follows:

Rent	£	25,934
Grants & Donations	£	2,898
Woodburning stove (tenant's contribution)	£	657
Share sales	£	250
Loan adjustment	£	235
Fire alarm service (reimbursement)	£	120
Miscellaneous	£	45
Sales	£	30
	£	30,169

Expenditure

Total expenditure (ie operating expenditure plus other expenditure) for the year was **£28,490** made up as follows:

Accessibility project	£	11,210	
Property improvements	£	4,526	
Property maintenance	£	4,241	
Insurance	£	2,884	Buildings insurance reimbursed by tenant
Loan repayments	£	1,957	
Defibrillator	£	1,505	Offset by SSEN grant
Accountancy fees	£	685	
Sundry expenses	£	472	
Advertising & publicity	£	307	
Subscriptions	£	265	
Licences	£	180	
MTAP events	£	128	
Stock	£	71	
Events	£	51	
Bank charges	£	8	
	£	28,490	

The top three expenditure categories break down as follows:

Accessibility project	
Architect's fees	£ 6,480
Mech/Eng fees	£ 2,800
Building Control Fee	£ 700
Structural engineer fee	£ 400
Planning application fee	£ 385
Asbestos survey	£ 295
Digital survey	£ 150
	£ 11,210
Property improvements	
Cellar cooling system	£ 2,190
New wood-burning stove	£ 1,314
Installation of new sash windows	£ 929
Defibrillator wiring	£ 93
	£ 4,526
Property maintenance	
Repair rear wall	£ 1,925
Japanese Knotweed treatment	£ 1,625
Repair car park wall	£ 465
Fire alarm system service	£ 120
LPG certificate	£ 60
Weed killer	£ 46
	£ 4,241

Accessibility Project

Unfortunately we were unable to start the project to construct fully accessible toilets during the year as we had hoped. This was because when we went out to tender in January the prices quoted were all much higher than we had budgeted for, resulting in a delay while we reviewed options and consulted the community on what to do, and then sought further grant funding.

We were fortunate that the timing of South Oxfordshire District Council's capital grant scheme fitted with our predicament, and following a rapidly prepared application we were delighted to be awarded a grant of up to £101,000. This meant the project could go ahead, but due to the time taken to complete the legal formalities with SODC we were unable to start the project before the end of our financial year.

We currently anticipate that the total cost for the project (including sums spent in 2016-17 and 2017-18) will be approximately **£222,000** including a modest contingency amount. Our maximum grant (and associated loan) income for the project is **£197,000**.

As we aren't able to use grant income to cover expenditure incurred before the grants were approved it is highly probable that we will need to use reserves to fund the gap. Until we know the

final cost of the project we will therefore keep our reserves at or about their current level, following which we intend to reduce them to the £30,000 allowed for in our business plan. This may mean we're in a position to pay back some of the private loan earlier than planned.

The ongoing financial impact of the accessibility project will be twofold. Firstly, the More Than A Pub programme required us to take a £50,000 loan from Co-Operative & Community Finance to match their grant. CCF is an organisation that lends exclusively to co-operatives and social enterprises. The loan has been taken over five years, and we will be making monthly payments to service the loan.

Secondly, in due course maintenance of the additional fabric of the building will incur costs. As the extension will be brand new and built to a high specification we don't envisage this being an issue in the short term.

Interest payment to shareholders

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, ie 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 has decided not to recommend making any payment of interest to Members holding 'A' shares this year.

Annual audit exemption

Because the Society has assets of less than £5.6m and turnover below £2.8m we are not 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 is typically £3,000+, whereas the financial report prepared by our accountants is c. £700 so the financial saving is considerable.

After the discussion about audits at last year's Annual Members' Meeting we discussed the matter in some depth with a Member who has significant relevant experience with other Community Benefit Societies. As we don't handle any cash, and have a relatively small number of financial transactions in any year, it was felt 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.

Although the upcoming accessibility project does involve significant sums of money the Committee decided that a full audit is not needed as the financial aspects will be scrutinised in detail by both grant awarding bodies and also the loan provider, and that this recommendation will be put to the Annual Members' Meeting as a formal resolution.

Financial governance

Following informal consultations during the year with suitably qualified Members we have improved our financial management practices, resulting in improvements to reporting of income and expenditure to the Management Committee and more robust oversight of our book-keeping practices.

Gabriel Brodetsky

Treasurer, Beckley & Area Community Benefit Society Ltd

1st November 2018

Beckley & Area Community Benefit Society Ltd

Secretary's Report - Annual Members' Meeting, 28 November 2018

BACBS Formal Strategies

During the past year, the Management Committee has developed and approved a number of formal policies:

Data Privacy Notice

The BACBS Data Privacy Notice was developed in response to the General Data Protection Regulations (GDPR) which came into force in May 2018 and the Data Protection Act 2018. The Management Committee member designated with responsibility for the operation of the Data Privacy Notice is Adrian Hampshire.

Safeguarding

In common with other public-facing organisations, BACBS has published a Safeguarding Policy to protect the interests of potentially vulnerable members of the community who participate in activities organised by BACBS. The Management Committee member designated with responsibility for the operation of the Safeguarding Policy is Mike Hobbs.

Equality, Diversity and Anti-Discrimination

This policy affirms that BACBS is committed to the values of equality and diversity in relation to Society members, volunteers, supporters and everyone with whom we come into contact, and that discrimination is not tolerated. The Management Committee member designated with responsibility for the operation of the Equality, Diversity and Anti-Discrimination Policy is Susy Jepson.

Membership Strategy

Scope

The scope of the BACBS membership strategy is to address how the Society ensures that our membership remains at the heart of the enterprise, whereby we continue to grow our membership and engage our members. Its focus therefore is on the activities relevant to encouraging membership and member participation. It is not intended to address the wider aims of the Society except insofar as they directly relate to membership.

Context

This strategy was developed following the share offer that took place in October 2016 that raised a total share capital of over £500,000 and the subsequent successful purchase of The Abingdon Arms. This strategy focuses on how we maintain and grow the membership base.

Aims

The primary aim of the strategy is to promote membership of the Beckley & Area Community Benefit Society in order to:

1. Ensure that the Society continues to have sufficient share capital to meet its financial obligations and to manage, maintain and enhance its primary asset (i.e. The Abingdon Arms) for the benefit of the community of Beckley, Horton cum Studley, Noke, Elsfield, Islip, Woodeaton, Stanton St John, Woodperry and Forest Hill.
2. Generate sufficient inflow of new capital to support continued future investment in The Abingdon Arms and to replenish share capital should any shares be withdrawn.
3. Maintain a large pool of people to contribute to the overall direction of BACBS by volunteering their time and skills (e.g. to help develop 'More than a Pub' amenities), attending Members' meetings, standing for election to the Management Committee, etc.
4. Promote community cohesion by establishing a wide, engaged and inclusive membership base.

Approach

1. Actively promote membership of BACBS to new and existing residents in Beckley and the surrounding area by ensuring that relevant and up-to-date information is available through a variety of channels, including for example:
 - a. The BACBS website and Facebook page
 - b. Village and Parish newsletters
 - c. Other community websites
 - d. In The Abingdon Arms and on its website.
2. Encourage new members to join, and to maintain the support of existing Members, by
 - a. Demonstrating the social benefits of the Society's activities;
 - b. Paying holders of 'A' shares in the Society a modest return on their investment when feasible, i.e. making interest payments on investments, in accordance with the Rules; and
 - c. Liaising with, and providing constructive feedback to, our tenants to ensure that they take into account the views of the community as they develop their business.
3. Membership is open to all individuals aged 18 and over (and corporate bodies) who support the Society's primary objective of ensuring the continued existence of The Abingdon Arms as a thriving pub for the benefit of the community. Applications are subject to the approval of the Management Committee.
4. This Membership Strategy may be amended from time to time by the Management Committee to ensure it remains in line with the rules of the Society and its prime purpose of community benefit.

Measuring success

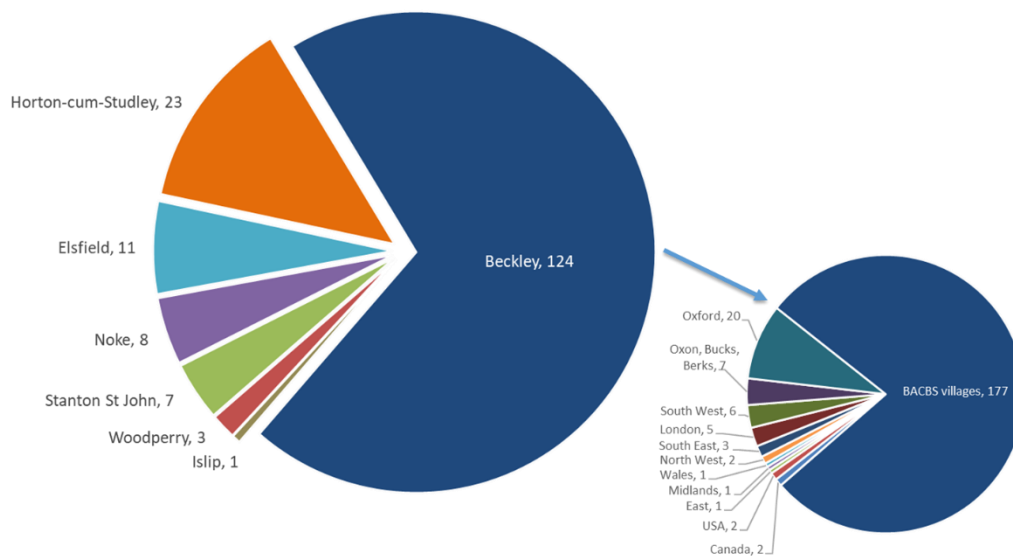
Key success measures of the membership strategy are as follows, and these will be reported at each Annual Members' Meeting:

- Total number of Members
- Changes in membership numbers in the year
- Value of share capital – at start and end of each year
- Number of Members standing for election to the Management Committee

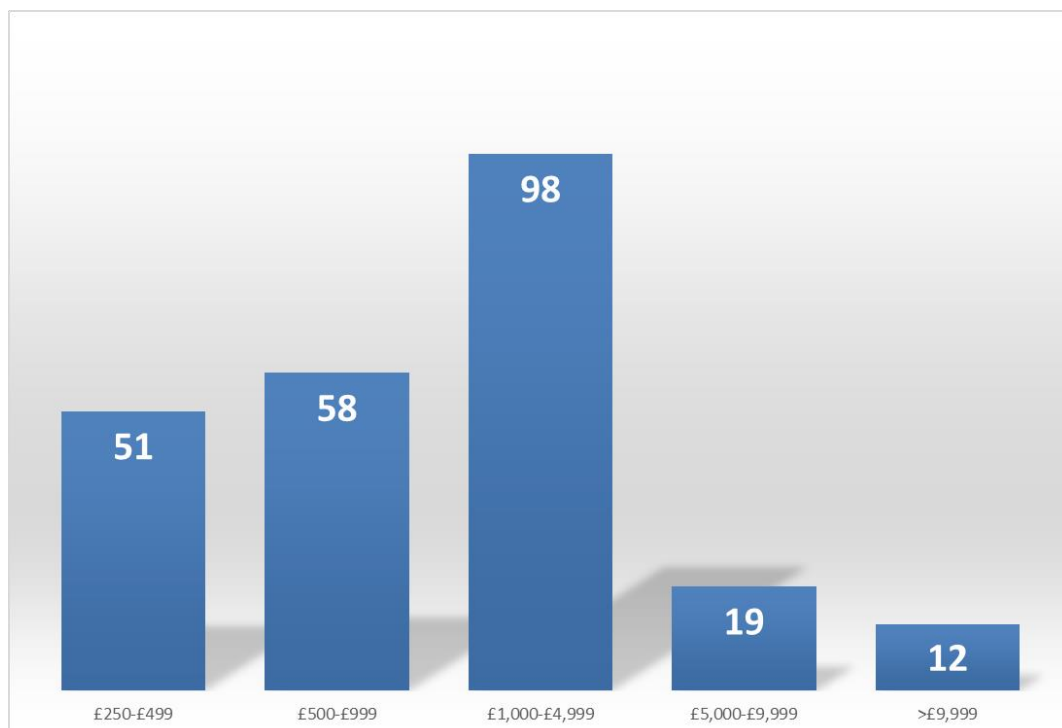
Membership Overview

The following charts illustrate the geographical distribution of our Membership and the spread of investments in our Society.

Geographical distribution



Investment profile (by number of Share Certificates)



Adrian Hampshire

Secretary, Beckley & Area Community Benefit Society Ltd

4th November 2018