

HELP KEEP THE PUB AT THE HEART OF THE VILLAGE

ANNUAL MEMBERS MEETING



WED 8TH FEBRUARY 2023

STOCKLAND VICTORY HALL—7:00PM FOR 7:30PM START

POP-UP PUB—Cash Only— *open pre + post meeting*



Annual Members Meeting y/e 30 Sept 2022

8th February 2023

Stockland Victory Hall



Welcome & Meeting Etiquette



- Safety: Fire exits, trip hazards etc
- Housekeeping: Loos etc
- Mobile Phones: Please place on silent
- Questions: Q+A sessions are planned in the agenda





Agenda

- **Open AMM:** Annual Report – The Year in Review – Phil Burnett
 - Treasurer's Report – Andy Kippax
 - Resolutions: Votes to approve accounts and audit
 - Supporting Other Communities – Damian Clay
 - Membership Report – Damian Clay
 - Resolutions: Election of Management Committee members
 - Questions and Answers / AOB
 - **Close AMM**
-
- **Open SMM:** Purpose of meeting – Phil Burnett
 - Proposed changes to Governance Rules – Key Points – Damian Clay
 - Resolution: To accept SCPL Management Committee recommendation to adopt latest set of rules
 - **Close SMM**

Annual Report: The Year in Review

Philip Burnett



Photo courtesy of The Sunday Telegraph

A Celebration and a Thank You



SCPL will be 10 years
old on 6th September
2023

Thanks to everyone
that made this possible!



A quick reflection on our structure and vision...



- Why a Community Benefit Society?
 - Community Benefit Societies are defined in law and registered with the FCA: Key features are...
 - that the business of the society is being, or is intended to be, conducted for the benefit of the community,
 - Any profit made by a community benefit society must be used for the benefit of the community

The right legal vehicle for our Community Pub

- SCPL Vision...
 - is to preserve The Kings Arms for the benefit of the community and to ensure its future as a thriving community pub.



What we said we would do...

- Provide a place to meet friends and neighbours and help to improve social cohesion.
- Provide a hospitality venue for local groups, tourists, weddings and funerals etc.
- Become a central point for information on community events and local issues.
- Maintain and improve the fabric of the building.
- Create opportunities for local employment.
- Boost the local economy by buying and selling locally sourced produce.



What's on offer, some examples...

- Live music every Sunday afternoon.
- Good coffee served in the relaxing lounge.
- Support for local charitable initiatives.
- Providing a 'shop window' for local produce.
- Return of the skittles leagues with regular games three nights a week.
- The skittle alley is also used as a venue for parties and hosting the Young Farmers.
- Quizzes and events (eg "An evening with Blowers")
- Hosting local social groups such as the Book Club, Tennis Club and Crafty Girls



The bigger picture: Use it or lose it?



The most challenging of times:

- COVID Pandemic
- Energy costs
- Inflation
- Interest rates
- Less disposable income

Hospitality in fragile state:

- 400 pubs closed in 2021 post pandemic – Reuters
- Wetherspoons to shut 39 pubs – Guardian 9th Nov 2022
- Greene King warns pubs will close as landlords sees £33k energy price hike
- Beloved pubs Devon's lost to Cost of Living Crisis – Devon Live 21 Nov 2022 <https://www.devonlive.com/news/cost-of-living/ten-beloved-pubs-devons-lost-7811145>



We can't be complacent: Continued support for The Kings Arms is critical
Pubs need customers!

Highlights from the last reporting year



- **Trade:** The first “normal” trading year since re-opening
 - Summer season extended well into October
 - Benefitted from hot dry summer
- **The Building:** In good shape
 - Benefitted from tenant investments
 - Minor “niggles” addressed – some with help from SCPL volunteers
 - EPC carried out in May – pub rated “C” – exceptional old properties
 - Other improvements in planning stage – pending finance
- **The Committee:** Quietly keeping SCPL running
 - Regular regulatory actions completed, eg licence, insurance
 - Working with the tenant
 - Managing membership, communications/WWW etc
 - Major milestone in re-financing the Horatio loan
 - Change in Chair mid-year

Thanks!



- Huge thanks to Ben and his loyal team (again!) for overcoming the challenges of the past year, and continuing to give us a warm, friendly and welcoming pub, supporting the community with events, skittles, meetings, clubs and good food and drink!
- Thanks from me to our Management Committee for working hard behind the scenes, ensuring that SCPL has been well-managed throughout the past year
- Introducing the Committee
- Thanks especially to all our shareholders for your support

Treasurer's Report and Resolutions

Andy Kippax



Treasurer's Report (y/e 30 SEPTEMBER 2022)



Summary of the year – another profitable year, debts restructured

- Another profitable year; net income at £16,116
- We refinanced the original Horatio loan and repaid the short-term loans
- Reserves policy - we keep a year's worth of outgoings as a general contingency
- Going forward things appear generally positive; we are engaged with the tenant with respect to cost challenges
- As part of today you are again being asked to vote to allow us to undertake an Independent Review as opposed to an Audit

Treasurer's Report (y/e 30 SEPTEMBER 2022)



Income

- Rental income for the full year was in line with expectations at £48,889
- SCPL insures the building and recharges to the tenant quarterly, which is added on to the rent – “Insurance Rent” – again this came to a little over £8,000 in the year
- Rental charges to the tenant are on a fixed schedule for the first five years of the lease, until March 2025
- Rent is then subject to a review, with the option of using an independent third party assessor

Treasurer's Report (y/e 30 SEPTEMBER 2022)



Costs in more detail

- Insurance was around £9,000 of which £8,121 was recharged
- SCPL pays insurance costs for business interruption, liability (including employer's liability – we need it even though we are volunteers!), legal expenses and management liability
- Loan refinancing costs were £6,463 and all expensed in the year
- Depreciation is a non-cash charge for the loss in value of our fixed assets within the building such as the electrical installations
- Please ask if you want detail on any other cost item

Detailed costs from accounts



YEAR ENDED 30 SEPTEMBER					2022		2021
Administrative Expenses					£		£
Insurance					9,320		9,964
Refinancing of long term loan					6,463		-
Depreciation of fixed assets					4,394		4,393
Professional fees					605		740
Other expenses					554		93
Consumables					400		107
Memberships / licences					200		971
Purchases for events					155		-
Utilities					-		<u>108</u>
Total					22,091		16,376

Treasurer's Report (y/e 30 SEPTEMBER 2022)



Refinancing the Horatio Properties loan

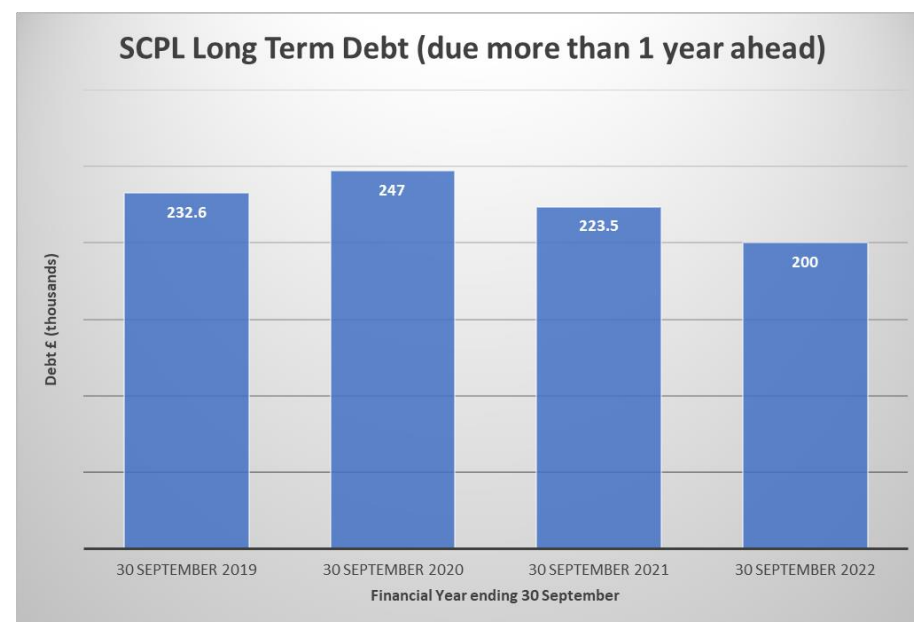
- We borrowed £200,000 from Horatio as part of the purchase in January 2019
- This was an interest only loan at 5.75% for four years ie. to January 2023
- During 2022 we paid off the Horatio loan using a 20 year term loan from Triodos Bank UK
- Loan has variable rate of 4% + BOE base rate, currently 7.5%
- We can pay off early in chunks and fix a minimum of £100,000 if we find a good rate
- Absolute finance payments have increased as we now start to repay the loan principal

Treasurer's Report (y/e 30 SEPTEMBER 2022)



Short term loans position and overall debt / reserves

- We borrowed £47,000 from local supporters in the summer of 2019 to help finish the building renovations; half was repaid in May 2021 the rest in Nov/Dec 2022
- Overall debt is now just under £200,000 from £247,000 two years ago
- The Committee has adopted a policy to hold a minimum of one year's outgoings in cash at any one time, currently about £30,000
- Cash today (8/2/2023) is £33,581.26



Treasurer's Report (y/e 30 SEPTEMBER 2022)



Going forward

- SCPL will hopefully make a decent profit in the current year
- The restructuring of loans has stabilised our debt position
- We are not projecting any tax payments until the year ending 30 September 2025, this can change of course
- Trading income for the tenant currently is good although cost challenges have increased significantly during the last twelve months
- We maintain a constant dialogue with the tenant to try and address cost issues

Treasurer's Report (y/e 30 SEPTEMBER 2022)



Audit vs Independent Review:

- The financial statements have been Independently Reviewed
- Cadwallader & Co have performed the Independent Review of the accounts for £485 which is after a significant discount due to our Plunkett membership
- Quotes for the current year to perform an Independent Review or to undertake an Audit are £500 or £3,625 respectively
- We would like your agreement **not** to audit the current year ending 30 September 2023 and recommend undertaking an Independent Review again

Treasurers Report



Questions?



Treasurer's Report (y/e 30 SEPTEMBER 2022)



Resolutions:

Resolution		By show of voting cards
1)	To receive the accounts for year ended 30 September 2022	Accepted/Rejected
2)	Do the members present agree to commission an Independent Review rather than a full Audit of the accounts for the year ending 30 September 2023	Accepted/Rejected

Plunkett Foundation Membership

Damian Clay





Community Pub Sector

- Continues to be resilient compared to the rest of the industry
- Grew by 11% (15 new pubs opened) in 2021
- Over 148 new groups formed in 2021
- SCPL continues to support new groups
- Plunkett continues to regard Stockland and the Kings Arms as examples of what a community can achieve when it comes together

SCPL Membership



- SCPL actively seeks to grow its membership, so please spread the word!
- SCPL beermats and flyers with QR links to our website, and membership is £100
- 13 new members joined during Y/E 30 September 2022
- 286 members currently
- We are pleased that one new member is standing for election to the Committee and we encourage more of you to do so in future

Questions?



Election of Management Committee members

Nominations for Management Committee: Please indicate by show of voting cards whether you support election of these candidates to the SCPL Management Committee for a 3 year term

Jo Ash (re-election)

Philip Burnett (re-election)

Nick Chance (re-election)

Sheelagh Dawes (re-election)

John Vickery (re-election)

Benedict Walsh (new nomination)



Any Other Business?



Close of SCPL Annual Members Meeting



Special Members Meeting:

Proposed changes to SCPL Governance Rules

8th February 2023





Why a “Special Members Meeting”

- The current “Governance Rules” are the FCA approved “Plunkett Model Rules Version 4 – Feb 2017”
- Reason for proposed adoption of new model rules:
 - Plunkett have gained much experience in the community pubs sector since v4 was developed
 - Technology/meeting process has also moved on
 - Latest FCA approved Plunkett rules model incorporates a range of improvements that SCPL Management Committee feel would benefit the society.
- Why a “Special Members Meeting”?
 - Section 7.1 of our current rules requires
“No new rule shall be made, nor shall any of the Rules be amended, unless it is approved by a two-thirds majority of the votes cast at a Special Members’ Meeting.”

Overview of main changes...



- Version 6 of the Plunkett Model Rules has been approved by FCA. Key benefits include:
 - Allowing the use of digital communications for meetings and voting
 - Maintaining and following an internal policy for dispute resolution
 - Option to have a share withdrawal policy other than first-come-first-served
 - Providing the Members with a means of removing Committee Members
 - Allowing proxy voting



Use of Digital Comms

- Use at Members Meetings:
 - Under lockdown, we had to seek permission to hold the AMM via Zoom
 - V6 of the rules incorporate that permission as standard
 - Members may be allowed to attend meetings remotely through any medium that allows them to hear and speak, and any member using such a facility is treated as if they are attending a physical meeting
 - The new rules also allow for members to vote on resolutions electronically so long as they have received all the documents concerned and have copies of the resolutions to be voted on. (e.g. voting on acceptance of the accounts via email)

Dispute Resolution Policy



- Version 6 of the Plunkett Model Rules states that the Society shall maintain and follow an internal policy for dispute resolution:
 - Plunkett has provided a template document that we can adapt for SCPL
 - If Version 6 of the Model Rules is adopted we will publish the policy document on our website
 - Please note - the policy will not cover disputes between SCPL or its Members and the Tenant or his employees at the pub!

Share Withdrawals 1



- Current Version 4 Plunkett Model Rules
 - Under the current rules, withdrawals can only be allowed on a first-come-first-served basis
 - This has resulted in Members of some Societies being blocked from withdrawing funds
- Latest Version 6 Plunkett Model Rules
 - Rule 8.4.5 states:

all withdrawals shall be paid in accordance with the Society's policy on share withdrawals. If no such policy exists, all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made until the following financial year;

Share Withdrawals 2



- The Committee decides if share withdrawals can be permitted in the current year:
- An annual budgetary meeting is held to determine what funding (if any) is available for share withdrawals during the current year (held as soon as possible after our year-end)
- When there is money available to fund share withdrawals, a withdrawal application form will be made available to members
- There will be a time window for returning the completed withdrawal application forms, including current bank details and the amount of share capital they wish to withdraw.

Share Withdrawals 3



- The Committee would prefer a fairer Withdrawal Policy than a first-come-first-served:
- We are seeking advice from Plunkett and other Societies about alternatives
- If we can find a better way, we will document and publish it to Members as the 'SCPL Withdrawals Policy'
- If we do not produce a policy, it will remain a first-come-first-served process, exactly as per our current rules
- Members will not be allowed to withdraw shares leaving them with less than the minimum required by the rules except where they wish to terminate their membership (rule 8.4.6 in V4 & V6)

Voting off a Committee Member!



- Version 6 of the Plunkett Model Rules includes new rule 5.10.5 to the section on how Committee Members vacate their office:
 - A Special Members Meeting may be convened if at least 10% of the members sign a letter sent to the Secretary requesting one.
 - The SMM meeting notice must state that the removal of the Committee Member in question was to be considered (i.e. voted on)
 - A simple majority of the Members voting in favour of removal would mean the person would be removed from the Committee immediately



Proxy Voting

- Version 6 of the Plunkett Model Rules includes new rule 4.22 covering proxies
 - Any Member can appoint another person to attend a meeting and vote on their behalf (the proxy does not need to be a Member in their own right).
 - Written notice/email to be sent to the office at least 24 hours prior to the meeting
 - Late notices shall be invalid, and any questions of the validity of a proxy shall be decided by the Chair of the meeting whose decision is final

Questions?



Resolution



Proposed replacement of SCPL Governance Rules with the latest version available from the Plunkett Foundation

- **Resolution:** The Management Committee recommends that Members vote to approve and accept the Proposed Rules and that they be adopted in full by the Society.
- Vote by show of cards



Close of SCPL Special Members Meeting

The bar is now open!