



Lyvennet Community Pub Ltd

Registered Office
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Crosby Ravensworth
Cumbria
CA10 3JP

An Industrial & Provident Society
Register No. 31175 R

www.lyvennetcommunitypub.com

Minutes of Annual General Meeting

6th AGM of the Lyvennet Community Pub Ltd held at
Crosby Ravensworth Village Hall, Crosby Ravensworth
On Saturday 22nd July 2017 at 5pm

1. Introduction and Apologies

Present: 40 shareholders were present; a register of attendance was taken.

Apologies: 67 shareholders gave apologies

Directors: Apologies D Henderson and K Taylor

2. Minutes of 5th AGM dated 2nd July 2016

Minutes of the 5th AGM dated 2nd July 2016 were **ACCEPTED** as a true and accurate record.

3. Annual Report

An Introduction and presentation was given by the Chairman, David Graham. He reminded shareholders of the LCP Ltd, its Objects and current Directors.

The Chair initially focused on the tenancy termination and renewal process which had commenced when an early notice to terminate tenancy had been received on 3 November 2016.

The renewal process had been challenging with the need to address issues at a Special General Meeting of shareholders in December 2016. Following this meeting the Directors were given a clear steer to progress the selection of new tenants. The pub closed on 31 December 2016 and the tenants vacated on 12 January 2017

The end of tenancy was somewhat different in this case as the LCP purchased the stock and inventory. The Chair explained that the inventory, albeit sounded simple, was in fact quite complicated as there are currently 2131 items; cutlery, plates, cookware etc etc which have to be accounted for. Each item has a purchase value and is depreciated over an

agreed period ultimately ending up with the current valuation. In total the inventory is currently valued at £3,971 plus VAT.

The LCP Directors along with previously employed pub staff and various community volunteers opened the pub for business on a drinking only basis from 12 January 2017 whilst the appointment of new tenants progressed. The Directors were responsible for all aspects of the operation including Premises Licence supervisor, stock, cash handling, security and general operations. The Chair thanked the many volunteers for helping, carrying out remedial works whilst the pub was closed and also importantly the great customer support over the 8 week period.

The new tenants Jon and Katie Metcalfe took up the tenancy on 6th March 2017 with the stock and inventory once again agreed at this point. In line with previous tenancies they were given a one month rent free start and to assist with their cash flow the inventory is being purchased over the first 12 months.

Shareholders were reminded of contact details for the Butchers Arms; telephone 01931 715500 and also the new web page www.thebutcherscrosby.co.uk

The tenants were continuing with existing established pub activities including the music group, walking group and lunch club but had added a range of additional events including themed food nights, triangular beer festival and upcoming Lyvennet Live music festival. These are all posted on the webpage.

The Chair reported that the feedback from customers had been exceptional with Trip Advisor postings all excellent or very good. The majority 87% were excellent.

The story of the Butchers Pub had once again featured in the Guardian newspaper. On 7 July 2017 the paper reported on the growth in community pubs. There are now 50 successful community pubs across the UK. It was a very positive article and led to our mention during the review of news from the papers on the BBC Breakfast Show on Saturday 8th July.

The Chair reported that over the last year the customers had raised £3,046 from various fundraising events which had supported both the LCP and many local charities.

Over the last year various works had been carried out to maintain the fabric of the building and also to maintain and in some cases renew catering equipment. The works had included chimney lining, foul drainage repair and redesign and replacement of a complex lead valley gutter to the roof.

4. Financial Report and Accounts at 31st December 2015

The treasurer took shareholders through the main items of income and expenditure in the 12 months since the last AGM. The main items were:

Income

- Rent; commercial and residential including insurance and VAT - £15,378. This was down some £6,565 over the figure reported at the 2016 AGM and was as a direct result of the loss of rent during tenancy changeover.

Running the Pub

- Stock purchased £10,313
- Sales £16,350.

The Treasurer pointed out that the profit between stock and sales was sufficient to cover most of the lost rent. The figures also clearly showed that running the business without a food offering would not be sustainable.

Expenditure

- Shareholder interest payments in 2016 - £8,049
- Maintenance - £5,720 – substantially higher than 2016 and reflective of some of the major works undertaken
- Inventory purchase £3,768 – this figure will be recovered over the next 12 months by recharge to our tenants
- VAT £2,040
- Accountants £1,440
- Premises Licence £310 – this included costs to change Premises Supervisors.
- Bank charges - £586 – the vast majority relating to shareholder interest payments and the charges associated with running the pub; change and cash deposits.

A summary of the accounts was then presented. Key points were that the LCP returned a profit of £5,416 in the year and fixed assets were valued at £338,361. The closing balance of LCP bank account at 30 June 2017 was £14,626. The Treasurer reported that this balance would reduce as there were £4,500 of share payment refunds to be made. With two months of lease income due before shareholder interest payments on 1 September 2016 were due there was sufficient funds to pay the proposed 3% interest payment.

The treasurer also reported on share movement in the year since the last AGM with £7,800 withdrawn and £8,350 resold. The current shareholding was £310,217. This figure would reduce by £4,500 once outstanding share withdrawals were paid..

The Secretary, Kitty Smith, is maintaining log of formal share requests and currently has a £5k waiting list.

Paul Jones asked a question regarding stock depreciation and how this was calculated. The Treasurer explained that a spreadsheet was produced that writes down the items on an annual basis.

J Raine thanked Directors and asked whether the current level of shareholding would be maintained. The Treasurer stated that the current £310k would reduce by circa £4k with the payment for withdrawn shareholding. The level of shareholding had to be managed as any increase meant increased interest payments.

5. Resolutions

The Chair reported that no shareholder Resolutions had been received.,

A total of 29 Proxy and Postal voting forms were received prior to the meeting and these votes would be included in the outcome of voting

a) Interest payment

Interest payment

2016/17 has seen expenditure on the appointment of new tenants, internal and external maintenance and the repair of some of the catering equipment.

Shareholders need to be aware that funds are required for the last major element of the Butchers Arms refurbishment; the toilets. It is hoped that this work will be supported by grant funding and also utilisation of rent income and will be completed in 2017/18.

The Board propose making a 3% interest payment for 2016/17.

The **Resolution** is therefore

The Board of the LCP proposes a 3% share interest payment. The payment WILL ONLY be by;

a) Direct bank transfer (dated 31 August 2017) or

b) The purchase of additional shareholding or

c) Donation to the LCP funds

Interest is paid gross and shareholders are responsible for declaring interest payments to HM Revenue and Customs.

For 63 Against 0 Withheld 0

The Resolution was approved.

b) Adoption of Accounts

Dodd & Co, the LCP's accountants have now finalised the 6th set of company accounts covering the period to 31st December 2016

These accounts need shareholder approval before they are forwarded to the Financial Services Authority.

The **Resolution** is therefore:

The LCP Accounts for period ending 31st December 2016 are approved

For 62 Against 0 Withheld 1

The Resolution was approved.

c) Auditors

Dodd & Co have completed the third set of LCP accounts to 31 December 2016. These accounts now need to be presented to the Financial services Authority.

As shareholders we are required to record through a formal resolution our requirements with regards external auditing of these accounts. From a legal perspective, given our turnover, there are no statutory requirements for auditing.

Dodd & Co, our accountants, are a fully regulated independent accountancy practice and it is therefore recommended that the LCP does not need to incur the additional expense of independent auditing.

The **Resolution** is therefore:

External auditing of the LCP financial accounts is not required for financial years ending 31st December 2016 and 2017.

For 62 Against 0 Withheld 1

The Resolution was approved.

6. Election of Board of Directors

In line with the LCP Rules one third of the existing Directors stood down at the AGM; Daphne Baird, Douglas Henderson and Christine (Kitty) Smith. No additional nominations had been received.

Daphne Baird

For 48 Against 12 Withheld 3

Douglas Henderson

For 57 Against 3 Withheld 3

Christine (Kitty) Smith

For 64 Against 0 Withheld 0

Daphne Baird, Douglas Henderson and Christine (Kitty) Smith were elected to the Board.

The Board now comprises 7 Directors with one vacancy.

7. The next 12 months.

The Chair reported that the focus for the next 12 months would be;

- Business as normal – support for the new tenants where requested and the ongoing maintenance of building fabric and equipment
- Planning and grant applications for toilet refurbishment. This was a major project with the intention to completely redesign the existing space, add a separate disabled / baby changing facility and create a new, high quality facility which was in line with the quality of the remainder of the pub. It was anticipated that the works would be carried out in the late autumn and during the re-build alternative external quality toilet facilities would be hired.

8. Any Other Business

No questions had been lodged in advance of the meeting and although given an opportunity no questions were forthcoming from shareholders present.

The next AGM would be held in Crosby Ravensworth Village Hall at a date to be announced.

Kitty, Secretary LCP