



Westhall Community Pub Ltd

A Community Benefit Society
Registered with the Financial Conduct Authority (no. 7806)

Minutes of the Third Annual General Meeting Monday 13 December 2021

Present;

Committee members;

Nick Hoare, George Harvey, Steve Gray, Andrew Clarke,
Simon Finch, Chris Punt and Brenda Smith.

Plus 54 members of the Westhall Community Pub Society;

The names of these members are recorded and kept on file.

1. Introduction

Brenda welcomed everyone to the meeting in Westhall Village Hall and paid a tribute to Stu Read, a founding member of The Westhall Community Pub Society who had sadly passed away.

2. Minutes from the 2020 AGM

A copy of the minutes had been sent to members prior to the meeting and it was agreed that they were an accurate record of the 2020 A.G.M.

3. Annual Reports

The Society's performance in 2021

Brenda presented a report of the progress and events of the year. The slides are available on our website -

<https://westhallpub.com/s/AGM-Presentation-2021.pdf>

A report on the state of the membership and the Membership Strategy

In brief we have 357 shareholders who have invested a total of £162,000. The current Membership Strategy is that although we are not actively promoting and selling shares in the Society, as we have raised sufficient funds to buy the freehold, the option to purchase shares remains open. In the future it is likely that shares will be promoted again as the Society will need to raise new share capital to replace that which existing shareholders

may request to withdraw. Also the Society may want to raise further capital to invest in the business. This is something the committee will review periodically.

Annual Accounts

The Annual Accounts are attached at the end of these minutes.

Statutory Accounts commentary:

Encouraging performance for year despite full trading only being possible, through Covid Regulations for 8 months of the year (2020 4 months of the year due to end of December start).

The lost Sales through Covid Regulations were adequately compensated for through Covid Support Grants recorded as Other Income these were £23,708 in the year (2020 £11,549).

Company will breach the VAT limits in the next calendar year so will have to account for VAT on Sales.

Gross margins on sales were very similar to previous year at 50% (49% 2020).

Other Charges are the operating costs of the business these were £19960 in the year compared to £17304 202. However, comparisons are hard to make due to cost savings due to lockdown and in 2020 a part year operation and the necessity of considerable one-off costs required to start operations. Payment of wages (£3668) for some casual support staff, to supplement volunteers' efforts, began to be made in the Summer of this year.

Balance sheet: This reflects the successful Race for the Racehorse campaign with Share Capital increasing by £160,220 and reserves by £34,266 due to net profits on operations. Cash in bank at the yearend was £220,000 m the majority of which is earmarked for investment in securing the freehold of the Racehorse.

4. Appointment of Financial Auditors

A resolution had been put to society members before the meeting about the decision to appoint an auditor. Those present were asked to vote by raising hands if they wished to appoint an auditor. Proxy votes were also included in the tally. The majority of members did not want to appoint an auditor.

5. Share Interest

It was explained that the society may (but was under no obligation) to pay interest to share holders. The Committee had decided that they would decide on this in July 2022.

Any payment of interest must be from trading profits and is at the discretion of the management committee with regards to the long term interest of the

Society, the need to maintain prudent reserves and the Society's commitment to community benefit.

The rate of interest to be paid in any year is to be approved by resolution of the members at the Annual General Meeting and would not exceed 5% or 2% above the base rate of the Bank of England (which ever is greater). The Management Committee may decide to only pay interest to Holdings above a minimal level.

6. Election of the management Committee.

The committee can consist of a maximum of 10 people.

Elected members of the committee hold office for up to three years (with co-opted members serving until the next AGM).

The following Committee members stood down for re-election;

Andrew, Steve and Simon.

The following Committee members agreed to remain in place;

Brenda, Nick, George and Chris.

The following people had decided to resign from the committee;

Marion Clarke and Colin Knight.

Keith Jennings, Sally Bassett and Nick Dodds put themselves forward to become Committee Members.

The total number of potential candidates for committee places was 10, so no vote was required and the agreed Management Committee will consist of;

Keith Jennings
Sally Bassett
Nick Dodds
Andrew Clarke
George Harvey
Steve Gray
Chris Punt
Brenda Smith
Simon Finch
Nick Hoare

Officers will be appointed by the committee.

7. A.O.B.

The following questions/points were raised by members present at the meeting; (Responses in Red)

- 1) What is the Overage clause? **See later questions.**
- 2) I thought you had to have an Auditor? **No, we can opt out.**
- 3) Are Trustees happy not to have an Auditor? **Yes.**
- 4) How much would an Auditor's fee cost? **Circa £2,500.**

- 5) Is an Auditor not a requirement for the Government or local grants? **No.**
- 6) Is it the Management Committee's recommendation that we do not have an Auditor? **Yes.**
- 7) One personal statement was that the individual felt that they were not investing to get interest and that shareholders should wait at least five years to get interest. This was widely endorsed by shareholders.
- 8) When do we get our share certificate? **The share certificates will be issued just as soon as we have secured the purchase of the pub.**
- 9) Should there not be an odd number on the committee, either 9 or 11 so that there was never a drawn vote? **After consulting the constitution there was no need for an odd number as the Chair had the casting vote in the event of a drawn vote.**
- 10) Does the Overage clause die when the original landowner dies? **No, It last for 25 years from the time of purchase. If the Pub is sold as a pub a pub, then the new purchaser picks up the remaining years. If the pub is sold to a land developer, who gains change of use status (i.e., for housing) then the enhanced value, less the actual market value of the pub at that time becomes the Overage payable and 50% of this is payable to the original landowner. Plus, a small year-on-year inflation amount. HOWEVER, it was the committee's firm intention that Westhall needed a pub and would continue to work hard to retain pub status.**
- 11) A point of view was expressed, insomuch as, the Overage clause could act in the pub's interest, for example if in a few years a new committee came in and wanted to sell the pub for profit, with a change of use status (i.e., for housing), then the Overage clause would deter them.
- 12) If someone purchased the pub in a few years, say for £450K, would we be liable for a much higher Overage? **No Overage is only paid for change of use, with planning permission.**
- 13) How much land is there? **Very little only what you can see in the pub, car park and rear courtyard.**
- 14) The rent is going up in the new year, but the lease ends. Will we be tied to a new annual lease? **No, in the first year we had an annual lease, but we are now on a three-monthly lease that comes to an end next year. We are expecting that the lease will be extended whilst final purchasing arrangements are made.**
- 15) If we need to guarantee buying the pub quickly, why don't we go for a bridging loan? **No bridging loan is needed as we anticipate the Community Ownership Fund grant will enable us to purchase the pub outright, without incurring any other financial burdens and interest rates.**

16) With the rent going up to £1,300 one person was confused as to how long this would be for? **The rent has been on a three-month extension and is envisaged to stay at this level until purchase is completed.**

17) Why don't we get a mortgage so that we do not lose the pub? **If we were to get enough finance to buy the pub and had enough in the bank, this would certainly jeopardise the COF funding and we would pay unnecessary mortgage interest of more than 20 year. On our current plan of action, once we get the COF funding the only way we will not be able to buy the pub is if the current landowner declines to sell or increases the price beyond our scope. And this could happen with or without a mortgage.**

Following the closure of the meeting the shareholders were invited to the Racehorse for drinks and further discussion

Westhall Community Pub Limited

Registered with the Financial Conduct Authority Mutuals register number 7806

**Reports and Financial Statements
for the period ended 31 July 2021**

Westhall Community Pub Limited

Profit and loss account
for the period ended 31 July 2021

	2021	2020
	£	£
TURNOVER	83,403	33,951
Other income	23,708	11,549
Cost of goods	(41,128)	(17,220)
Staff costs	(3,668)	(266)
Depreciation	-	-
Other charges	(19,960)	(17,304)
Profit or (loss) before taxation	<u>42,355</u>	<u>10,710</u>
Taxation on ordinary activities	(8,089)	(2,050)
Profit or (loss) for the financial year	<u><u>34,266</u></u>	<u><u>8,660</u></u>

Westhall Community Pub Limited

Balance Sheet for the period ended 31 July 2021

	2021	2020
	£	£
Assets		
Investment	100	-
Fixed assets	-	-
Current assets	222,700	28,153
Prepayments and accrued income	2,614	723
	<u>225,414</u>	<u>28,876</u>
Capital, Reserves and Liabilities		
Capital and reserves	205,896	20,830
Provisions for liabilities	-	-
Creditors:	-	-
Amounts falling due within one year	19,298	7,972
Amounts falling due within one year	-	-
	<u>225,194</u>	<u>28,802</u>
Accruals and deferred income	220	74
	<u>225,414</u>	<u>28,876</u>

Accounting basis and standards

The financial statements of have been prepared under the historic cost convention and in accordance with FRS105 The Financial Reporting Standard applicable to the Micro Entities Regime and with the micro-entities provisions of the Companies Act 2006.

For the year ended 31 July 2021, the company was entitled to exemption from audit under Companies Act 2006 s.477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s.476. The directors acknowledge their responsibilities for complying with the companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Management Committee on 7th December 2021



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Brenda Smith - Chairman