Minutes of Leasingham Community Benefit Society

Annual General Meeting

0n Sunday 24th July 2022 at 3pm at Leasingham Village Hall

There were 66 attendees therefore a quorum was met and the Leasingham Community Benefit Society [LCBS] AGM was able to start on time

1. Chairman’s Welcome

Dave as chair of LCBS greeted everyone and thanked them for coming on such a beautiful day. He noted a couple of H&S items in that there was to be no fire alarm testing today so if the alarm does go off then all exit by the doors and he brought the attention to all as to where to find the toilets He thenhanded over to Joan Lawton as secretary was running the meeting

1. Apologies

Joan greeted everyone and thanked them for attending and thanked Dave for setting the scene for this 4th AGM, noting that the next item on the agenda was Apologies,

She thanked all who gave their apologies, who were: -

*Donna Harding, Jon Hird, Derek Law, Stephen Law, Anthony and Alison Edwards, Roger Kelk, Dave Pearson, Roy Richardson, Oliver and Ruth Elphick, D.T. Lacey, John Mallindine, Paul and Beverley Spencer, Carol and Martin Tokley, Jean French, Chris Franklin, Pam Kyte, Stephanie Pleasance, Katy Farrow, Peter Sharpe, John Rayner, Richard Sharpe, Tom, Ben and Kim Rayner*

She added that it was good to see all of you at this more ‘normal’ AGM, although it felt strange not to have to work out how to hold a meeting to keep us all as safe as possible and meeting whatever restrictions that were put in place. Adding that we would like to say how we appreciated your support during the pandemic and hope you will keep it up with whatever the next year throws at us.

Before going on to the other items on the agenda, she asked that as all have had the last year’s minutes, can she have a proposer and seconder and a show of hands that these were a true record of the AGM of 2021

Proposer; John Davies

Seconder; -Colin Hibberd

Show of hands; - all raised their hands so a count was not required

Any matters arising; - none

Joan added that LCBS are publishing AGM minutes, reports and accounts on the web site- leasinghamcbs.com as soon as they are completed. Noting that we have started to use the web site as a repository of things that we think will be of use and interest to shareholders, so that they are easily accessible

1. Management Committee reports-

The nextitem on the agenda was the management reports, Joan said that she would hand over to the relevant person to take those in attendance through them. She noted that the reports had already been circulated to all members and they have been asked for questions to be sent to LCBS prior to this meeting. This has worked well previously, allowing us to research and consider them, so that we are able to give a far fuller reply. Informing all that questions about these reports would be answered at the end of all of the reports ratherthan after each one. She said that there have been only 3 questions sent in prior to the meeting but we will be happy to answer any other questions about the reports from those in attendance, after we have answered them.

She then handed over to Dave Warner the chair of LCBS

3.1 Annual Chair’s report

Dave said that as the report had already been sent out to all members prior to the meeting he would not read it out in full but wanted just to pick out the things he felt should be highlighted. He started in noting that this coming year will be in fact the first full year of un-interrupted trading figures since 2019, but we have come a long way and wanted to highlight the positives in his report. These were how much the Christmas event has developed and has brought many into the village and wanted to thank all those who helped with this, he also said we have held other successful events, such as Burns night, the popular quiz nights, and Open MIC nights to name but a few. We have been honoured to hold several wakes in the pub as well as happier celebrations of weddings and christenings. He noted how pleased we are to be working with the Village Hall and running the bar there, and although there have been price increases in beer, we have been able to keep this at a minimum as our increased usage has enabled us to negotiate a good deal with the brewery. Finally, he added because of this, even with the huge increase in the cost of power we are hopeful to be able to consider paying interest to our members next year, but that is dependent on how the rest of the year progresses

**Chair’s report** **in full was circulated to all shareholders prior to the meeting and can be found on the web site**

Joan thanked Dave and noted that the next item on the agenda is the Treasurer’s report but as Oliver had recently moved, he has resigned as a board member and Treasurer. She then informed all that Keith Philips from Duncan and Toplis has been asked to summarise the accounts that they have produced. She thanked Keith for doing this and thanked Oliver who is willing and able to carry on providing us with his excellent bookkeeping and wages services with the magic of present-day remote technology

She then handed over to Keith Phillips to run through his summary for those in attendance and thanked him for this and being prepared to answer any questions after all reports had been read.

**3.2. Treasurer’s report**

Keith started by noting that he was not a board member so his role at this meeting was to look back at the figures but not to make any decisions. Again, he said he would just pick out a few things from the summary that has already been circulated. He started by noting that the figures have improved from the previous years, and they showed that wet sales were showing a good profit margin and this margin was higher than that of food sales, which is usually expected to be the other way round. He said that the board need to continue to be mindful of this and maintain the wet margin while increasing the food. He also warned that in these figures we had £22,000 from government grants which will not be available in the next year. Finally, he added that it looks like the board have spent a reasonable amount on repairs and maintenance which was from the profit from the business and he felt that, all in all, the former treasurer had produced a good set of accounts.

***Summary of accounts* in full was circulated to all shareholders prior to the meeting and can be found on the web site**

Joan thanked Keith, saying that before we move on to the Membership report we need to pass the following Formal Resolutions. As explained in previous years, given our legal structure we have the option of disapplying the requirements to undertake a full professional audit. We have been assured by expert advisors in this field that as we are a small society there is no requirement to have a full audit, which is much more expensive, as long as we pass correct resolutions. Subject to a vote of the Membership, the Committee proposes that we produce unaudited but reported accounts to the Financial Conduct Authority, therefore we need a vote on the following resolutions.

**3.3 Formal resolutions**

Joan explained that the vote will be by a show of hands after we have a proposer and seconder, then we will ask if there are anyone who does not agree,

The first resolution is

**3.3.1** To receive the year’s accounts ending 28th February 2022 and to dispense with the need for full audited accounts, as per Deregulation [Industrial & Provident Societies] Order 1996, and to substitute an accountant’s report in place of a full audit as permitted by the Rules and applicable legislation.

Keith noted that the date was incorrect and should be **28th February** 2022 not the 29th, Joan apologised and agreed that this was incorrect and said that she would amend the date **to the 28th**, then a vote was taken

**Proposed by-** Bill Rayner

**Seconded by-** Susan Stodart

**Votes to pass the resolution-** all

**Anyone in disagreement -**none

The second resolution is

* + 1. To dispense with the need for full audited accounts, as per Deregulation [Industrial & Provident Societies] Order 1996, for the financial year ending 28th February 2023

**Proposed by-**Keith Philips

**Seconded by-** Ian Cox

**Votes to pass the resolution-**all

**Anyone in disagreement**- none

Joan added that finallythe committee wish to propose Duncan and Toplis to report on the accounts for the current financial year

So, the final resolution is

* + 1. To appoint Duncan and Toplis, Chartered Accountants to report on the accounts for the current financial year ending 28th February 2023.

**Proposed by-** Gill Brooks

**Seconded by-** Robert Pleasance

**Vote to pass the resolution**- all

**Anyone in disagreement-** none

Joan thanked all and handed over to Vanessa for the membership report

* 1. Membership Report –

Vanessa summarised her report highlighting the importance of members updating their information so that the register can be amended if required. She also added that sadly shareholders die and it makes it so much easier for all if a ‘living will’ is completed, she ended by saying that she had forms available to make this easier if anyone wanted to pick them up from her at the end of the meeting

***Membership report* full was circulated to all shareholders prior to the meeting and can be found on the web site**

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Joan Thanked Vanessa and said that the next item on the agenda was for questions on these reports, adding that we would firstly read out and answer the questions that had been sent into us and then open it for questions and comments from the floor.

1. **Questions in regard to the above reports**

**Question 1 from Dave Pearson**

**What have you spent the government and council grants on please?**

Joan asked Dave to answer this and the following 2 questions

Dave answered this by sayingall of the grant money that we received was put into our standard Current account. These were treated as income and used for the day to day running of the Duke, whilst it was closed and then operating under restrictions. It was also used to help cover many extra costs that we incurred because of Covid. This included extra staff wages to be able to offer table service outside and seated service inside and for extra IT equipment to enable orders to be taken anywhere in the pub or garden.

The grants also went towards the costs we incurred as we came out of lockdown such as signage, garden furniture etc.

Question 2 from Kim Rayner

**Can I just ask when we are likely to see any kind of dividend paid to shareholders?**

**Or when shareholders can sell their shares back and/or receive a profit?**

Dave answered this by saying that as you can see from the accounts, we are not making enough profit, so regretfully we will not be paying interest on shares this year, but we are hopeful to pay interest on shares if trade carries on roughly the way it is.

The rule for paying interest is that we can only pay interest on profit made in the last financial year, if enough profit has been made it will then be the board’s decision to recommend paying an interest payment to the shareholders this will be put to the shareholders next year and it will be the shareholders decision next AGM to approve or change the proposal of the board.

This new financial year we are doing well with increased trade and controlling cost and look forward to at last to be able to pay interest on your shares. This of course relies on your continued support and that the world sorts out the war in the Ukraine which appears to be causing most of the financial problems and shortages around the world.

With regards to selling back your share to Leasingham Community Benefit Society that will rely on how strong our reserves are. At the moment they are adequate but not strong enough.

**Question 3 from Ian Brett**

**My question, or request is this:**

"I would like to ask for a full audit of The Duke of Wellington to be carried out by an independent hospitality professional who can make recommendations to improve the trade, profitability and appearance of the business and give advice on future development, direction and costs. I would ask that the recommendations of the audit be made available to shareholders.”

The reason behind this request is that no major changes have been made to the operation or appearance of The Duke for the last 3 years and it’s popularity remains modest at best. I understand that Covid 19 has been a major disruption but it cannot be an excuse in the future.    Like many others both Pat and I have invested time, effort and money in The Duke being a big success, taking some independent professional hospitality advice may provide some ideas about how to improve the popularity of The Duke and finally achieve this?   The initial enthusiasm in the village for The Duke has declined greatly over the years of community ownership, with many viewing the pub now to be much the same as it has been for the last 20 years.

The Duke must be made to appeal to more than just the few “regulars”.  For example, when the pub was bought by the community it seemed that the whole village would be turning up for a Sunday lunch, as it is very few do.  The Farm Shop regularly does 120+ Sunday lunches, so there is a market in the village but The Duke isn’t getting anything like it’s share, why?  I would love to have to book a table for a meal in The Duke to be sure of getting one, it’s never been a problem yet…. Please get and act on some professional hospitality advice to help make The Duke the success it can be.  The management needs to achieve more than just keeping the place open.

Regards

Ian & Pat Brett

Dave answered the question and also read out the reasons that Ian had given, as he felt this showed why he felt he needed to give a very full reply, this was his reply; -

I’ve contacted Mike Hughes, an Independent Hospitality Adviser and highly respected within the industry, who we used when we were looking at buying the Duke, He has worked for the Plunket and many other companies

His costings for the survey would start at £2000, naturally if we wanted to include costings of any work to be carried out, there would be an extra charge and only an estimate.

If we did go ahead with the audit naturally that would be given to all the shareholders as we have done with any business plan we have completed. But I am concerned that this may not be the best time for this expenditure, especially as I have already started our business plan for the next 3 years

Before I discuss Ian’s reasons behind the request of an audit, I would just like to go over a few facts that may help explain why we haven’t refurbished the Duke more quickly

Firstly, I would like to recap on the unbelievable event of purchasing the Duke and the effort all shareholders made in raising the money in an incredible short time. We launched the share offer in March 2018 and had the keys of the pub four months later July 20th  2018. Seriously its mind blowing what you did in a very tight time span.

Shares were selling well but we were under enormous pressure because Enterprise pubs wanted a quick sale. If you remember we put out a plea for you to buy more shares at the end of May as we still hadn’t reached the target to qualify for the grant and loan but within three weeks you bought another £30,000 shares., which enabled us to qualify for the grant and loan and you still carried on buying shares until September.

Once we had bought the Duke we opened for 2 days closed for 4 and then the clean-up and refurbishment started

Dave referred to the table below but did not read it out in full

*In brief we spent £357,760 in 7 months and had investments/grants/loans of £368,760.*

*The table below give a breakdown of these figures*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *£273.760* | *Duke of Wellington* |  | *£227,000* | *Shares Bought* |
| *£10,000* | *Solicitors plus stamp duty etc* |  | *£50,000* | *Keyfund Loan* |
| *£68,000* | *Initial refurbishment* |  | *£40,000* | *Plunket Grant* |
| *£6,000* | *Initial cellar stock* |  | *£41,760* | *Vat refund Oct* |
|  |  |  | *£10,000* | *Plunket grant Dec 2018* |
| *£357,760* | *Total Initial Spend* |  | *£368,760* | *Total investments* |

*This didn’t include the day-to-day expenses of wages, stock, paint, cleaning, equipment, pots pans, plates Utilities etc. plus all the other things you need to run a pub.*

He continued saying that expenditure on putting the pub right rose by another £23,000 over the next 6/9 months

In the last 18 months we have started to make further improvements to its appearance and carried out essential work by spending £16,600 on painting the exterior of the Duke, carried out major repairs to the roof and chimney and buying new garden furniture, We also renewed the pub signs and lighting, added bright blue parasols, redecorated and dressed the Boot Bar with local photos and new stools etc.

As you can see money has always been tight and the improvements may not have been as fast as some of you would have liked but the important thing is we have the Duke in a far better state than when we bought it.

But as you can see, we have limited financial wiggle room to do any other major improvements. Some people have asked when we are going to improve the toilets, car park, seating area on the carpark terrace, or a covered area to keep the bad weather out. When will we improve the play equipment for small children and refurbish the restaurant is also asked?

We also need extra storage and refrigeration units but the list regretfully will always be there in one form or another, not with the same items but replaced with new ones.

We still have until May 2024 to finish off paying the loan we have. I feel at this time it would not be prudent to take out more debt to tick off some of the big-ticket items. That said we are looking at refurbishment of the lounge and restaurant in early autumn with new tables and chairs, with luck it could include new lighting and carpets. That’s if we can stretch our reserves that we will have built up over these last few months.

I am incredibly proud of what the directors, shareholders and villagers have achieved so far. We have more than survived Covid with the extra costs it incurred with a smaller turnover. The government grants really helped to keep us afloat, paying some of the day-to-day bills and enabled us to purchase items such as new large parasols, and to replace the tired garden furniture.

Having survived Covid I feel we will also survive the financial problems that we are all facing at the moment with utility prices rising but we still need to be prudent I feel with so many hospitality companies struggling.

I have already started to redo our original business plan which was there for the purchase of the Duke. This will enable us to see what we can achieve over the next three years, all of you will be informed when it is finished. It won’t be set in stone but will give ideas of what we might be able to achieve to improve the Duke.

Ian said that no major changes have been made to the Duke and it’s the same as it was 20 years ago. I agree we have not made many major changes, as funds have not been available, but we have made £120,000 smaller changes from painting the Duke to adding new furniture and parasols for the garden etc. We now have a clean and good-looking pub selling 3 or 4 ales every week in an air-conditioned cellar. Along with 6 other beers on tap, plus a good selection of gin and a reasonable selection of wine and prosecco

Ian also mentioned the Village Farm Shop, and why are we not getting our fair share of Business.

The Barn Restaurant and the Farm Shop are a great asset to the village, and they deserve all the success they have achieved, which has been done through hard work by Gill, Robert, Jonathan and their team. But to compare us to the Barn is like saying why isn’t the Farm Shop and Barn doing the same level of business as Belton Garden Centre

The Barn has far more tables (45) and seating than the Duke (12) has under cover, their kitchen and storage are far bigger allowing several to work in the kitchen at any one time, they also have walk in fridges, dry goods store plus a fantastic fresh food store and butchery called the Farm Shop

Finally, Ian said that the Duke must appeal to more than the few regulars. The Duke does appeal to more people, who would also consider themselves regulars. Tuesday Quiz Nights attracts 9-14 teams, the monthly quizzical lunch attracts an average 8 teams and the Open Mic session attract local musicians, their supporters and villagers. The pub is also a venue for a monthly Book Group, regular PTA meetings and other groups use the pub as a meeting place.

In addition the pool team has restarted, the Pub now has a Golf Society started by regulars which play monthly and who eat at the Duke. Many groups hold social events, including the WI, Gardening Group and Ladies Group Christmas meals. The pub is being used and enjoyed by many, many people in many ways.

Finally, we must not forget the successful and well attended theme nights and events that Katie and her team hold regularly. The committee and Katie have also worked together to organise the annual Advent Calendar event which has grown to include Christmas stalls last year. This Christmas Fair runs alongside switching on the Christmas lights which brings in many people from the surrounding villages.

These are just a few of the events that the Village regularly support, but we must not forget this year’s very successful Jubilee Celebrations event, which took over from the Summer Fair. This like some of the other events LCBS and Katie run together which attracted many to the pub.

All these bring many more people into the pub and village than in the past, which is easily demonstrated by our increase in beer sales which are well above the volume that both Marston’s and Carlsberg/Marston’s have anticipated we would do. The Duke welcomes everyone and is known for being a friendly village pub.

Joan thanked Dave for these replies and then asked for questions and comments from the floor

**Colin Hibberd** said that he was a little disappointed at what had been said as in the past 5 years he has seen a dramatic improvement in the pub, for 7 or 8 years before this he refused to go in but now regularly visits as it is 100% better than it was. He added that he is not an accountant but knows the food industry and we should not go into debt. He also feels that Katie is involving all in the village and thinks it’s a priority that we stay in the black. A number of members showed their agreement to this by applauding these comments

**Ian Brett** stated that his comments were not meant to criticise or detract from what the committee has done but he feels that another pair of eyes from an expert may help to plan us to move forward. He added that the pub may be busier with groups of people meeting and things going on like the quiz, but it needs to be busier in the restaurant as the food is not attracting people to eat there. On Wednesday and Thursday evenings there are hardly anyone in and the committee should be looking at this and why people are not coming in to eat.

**Dave** said that we know that we still need to make improvements and we have many ideas but at present he feels we need to wait in these uncertain times, he agrees that some nights we are not busy but that can be said about many places at present with lots closing down or reducing opening hours. He added we can get all the advice in the world but it would be wasted money if we cannot afford to take the recommended actions.

**Fiona Barton** said that just because things haven’t happened yet, doesn’t mean that they won’t. She knows that there is a lot of work behind the scenes and a plan for decorating etc. but it all costs money. She likes to eat out like everyone else and the décor does matter but we all need to eat there more to bring in the money to improve the décor. It can’t happen yet, but she knows the committee are planning and looking at it with Katie. Fiona stated that she feels money should not be spent on a consultant; it’s a waste if we don’t have the funds

**Neill Murray** said that he was part of the Open MIC which meets monthly, it attracts musicians from the village and further afield. There has been one critical change in the pub and that is Katie and the team. The musicians love the bucket meals and talking with Katie, Simon and the team, he added that he feels that there is a totally different atmosphere in the pub and people are enjoying coming back because of it. The committee and Katie have kept the pub going through Covid times and you only need to look at the losses that companies such as Wetherspoons have made to see what difficult times this has been.

**John Davies** Said to pick up on what others have said we need to attract more people in and the main thing to do this is with food. He agreed that the facilities and atmosphere has changed but the attraction must be the food. Steve Speight ran the pub for years and the food was better than now. Get the food right and you will get more in and the menu has not changed

**Dave** agreed that the food needs to improve but we are working on this with the new menu being launched today to start in August, but the small kitchen does limit what we can do

**John Davies** added thateven though the kitchen is small it’s better than when Steve had it and he still did better food. As he sees it the quality of the food is not good enough so he has to eat out of the village

**Dave** asked all that if they have a problem with anything about the food, drink or service then please talk to Katie, she is the one who manages these and she needs to know

**Ian Brett** added that he feels that the reputation has been made he also said that he was part of the renovation team and heard Airedale talk about how workable the kitchen was so why are the committee saying it isn’t big enough

**Dave** added that it’s not that it isn’t big enough but the size does limit what we can do and the range of menu we can offer, especially if we are being compared to the Barn. He also said that Steve Speight only had 4 rings, oven and a microwave so many things were microwaved and we said we wanted good quality home cooked food which takes more space to prepare and cook.

**Bery White** added that the kitchen was well stocked in Steve’s day and they served many meals.

**Dave,** he agreed that we now still have the same number of tables as Steve had and we can comfortably serve that number and we do have to turn people away. For example, on Friday a mother and small child walked from Ruskington for a meal but we were fully booked, it’s good to be fully booked but difficult when we have to turn people away and, on this occasion, she wrote a bad review, which makes things even more confusing and difficult.

**Ian Brett** added that that would be good on a Wednesday or Thursday but doubts it will happen

**Susan Stodart** said that they ate there with their family on Wednesday and everyone said how much they enjoyed their food, she feels that the food at the pub is very good

**Harry Blyth** said that the food a few years ago was rubbish and we stopped eating there, in the last 3 to 4 months we have eaten there and the food has improved no end but still needs improving, but there is no ambience, so it’s not a pleasure to eat there. He added if you are still not making a profit you need to ask why not

**Dave** said that this coming year will be the first full year of trading due to Covid, looking at the present figures we are hopeful that we will be making a profit at the end of the financial year, if not, then please ask that question. We mustn’t forget as well the beer is always good and we are well known for it as can be seen by the favourable prices we can negotiate with the Brewery. The bottom line is that we need your support so please come and encourage people to come and join us at your pub.

**Meg Cowap** Wanted to say what a terrific job LCBS has done, but what is missing on reading about profit and loss is the word Community and that is what the pub has given us

**Andy Barton**  wanted to say that he has seen so many more people in the pub and the age range is expanding with young families enjoying the pub

**Amina Newsome** wanted to know when will anyone be able to buy shares again as we have a lot of people moving into the village and how would we know when this happens

**Harry Blyth** commented that this would need to be new investors and not current shareholders. He asked how will people know about a new share offer.

**Dave** agreed that with new people moving in this would be good and we are looking into this in the near future, he assured everyone that we will do as we did in the launch and use everything at our disposal to advertise and let everyone know

**John Davies** if we are offered interest next year will there be any way to say convert this into shares?

**Dave** Joan is researching what options are possible and you will be informed about this when we are in a position to propose paying interest

**Joan** called question time to a close

1. **Election to Management Committee**

Joan directed the meeting to the next item on the agenda the Election to Management Committee, explaining that as there were only four members putting their name forward for the four vacancies there is no need for a vote, these four posts will now run for three years.

She added that you all know our chair, Dave; so, she will ask him to introduce the new board of directors who will say a little about their roles, Dave agreed that all knew him so he did not need to introduce himself formally but would ask the other directors to do so starting with Karen

**Karen** said that you all know me as a founder member. My main responsibility is as HR, working with Katie in all staffing matters, we have needed to recruit and employ many people over the last four years, due to all the pandemic restrictions, we have doubled our workforce and the logistics of rota has been challenging. Katie is an excellent Pub Manager, with lots of pub experience but not much experience in managing staff and so much of my time has been spent supporting and mentoring Katie. I also worked closely with her on events such as developing the Advent event to include stalls and the recent Jubilee days.

**Vanessa** introduced herself saying that she was the membership officer and reminded shareholders to let her know if their contract details had changed and that she had forms with her so anyone could collect one from her as soon as the meeting finished

**Mark** introduced himself and stated that he was the Health and Safety representative for the Duke.

**Joan**, introduced herselfsaying that she was the secretary to the Society and Board, which she had been since first joining as one of the founding members. Little did we know what this all meant and what was going to be thrown at us, such as the pandemic, now we have huge increases in power and commodity costs, with a cost-of-living crisis which we all are experiencing the effects of. It’s certainly has been a bumpy ride but its lovely to have a village pub that we can all go to, so it’s been worth it

**Roy** – has sent his apologies but is with us in spirit from Spain, Roy has been part of the board from the start and is our Licensee

Dave then introduced **Gill Allenby** who will be joining the board asking her to introduce herself

**Gill** joined the other membersto introduce herself saying that she has been a supporter of the community pub since the start and as a Yorkshire lass, is looking forward to working with you all

1. **AGM Closes** at 4 pm.

When closing the meeting Joan invited all to join the committee in the Red Arrows Bar where Katie Cook was waiting to meet them. She will be launching the new menu for the Duke of Wellington and will be available to answer any questions you may want to ask her. As a thank you for your continuing support we would first like to draw a ticket from the hat to see which lucky shareholder has won the excellent hamper that Sue Stodart has created for us and there is a free drink awaiting all in exchange for the token you were given on entry.

The winning ticket was Steve Allenby

Finally, Dave thanked all those attending and would be meeting them for a drink