

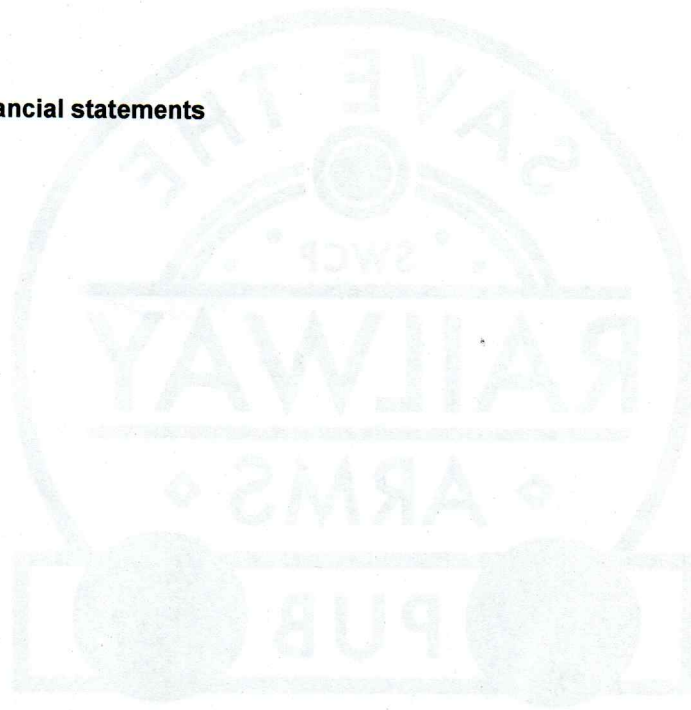
The Saffron Walden Community Pub Ltd
[Registered Society no. 7574]

Report and Financial Statements
for the period ended 30 June 2019



The Saffron Walden Community Pub Ltd

Contents	Page
Reference and administrative details	1
Management Committee Report	2-6
Income and expenditure report	7
Balance sheet	8
Notes to the financial statements	9-10



Saffron Walden Community Pub Ltd

Reference and Administrative Details for the period ended 30 June 2019

Management Committee	Member	Term ends
	Dave Kenny [Chair]	12/11/2021
	Tim Walker [Vice-Chair]	12/11/2020
	Gemma Perry [Secretary]	12/11/2021
	Tom Bennett [Treasurer]	12/11/2021
	Bob Eastham	12/11/2019
	Jules Hales	12/11/2020
	Steve Langford	12/11/2020
	Kenny Wright	12/11/2019
Secretary	Gemma Perry	
FCA registered number	7574	
Principal office	89 High Street Saffron Walden Essex CB10 1DZ	
Bankers	Metro Bank PLC One Southampton Row London WC1B 5HA	
Advisors	Plunkett Foundation [More Than a Pub Programme] The Quadrangle Woodstock OX20 1LH MJD Hughes LTD 2 Forest Farm Business Park Fulford, York North Yorks. YO19 4RH	

The Saffron Walden Community Pub Ltd

Management Committee Report for the period ended 30 June 2019

Introduction

The members of the Management Committee present their annual report together with the un-audited financial statements of Saffron Walden Community Pub Ltd ('the Society') for year ended 30 June 2019. The Committee confirms that the Annual Report and financial statements of the Society comply with the current statutory requirements, the Co-operative and Community Benefit Societies Act 2014, the requirements of the society's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Governance, Structure and Management

The Society was registered as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014 on the 14 June 2017. The Society has members, a Management Committee and a Secretary.

Members

Membership is the means by which the Society is owned by the community. The Members of the Society are those whose names are listed in its Register of Members.

Membership is open to any person (whether an individual, a corporate body or the nominee of an unincorporated organisation) who completes an application for membership and:

- is over 18 years of age;
- supports the Society's purpose;
- pays for the minimum number of shares of one £50 share;
- whose application is accepted by the Management Committee

Management Committee

The Management Committee is comprised of volunteers and members of the Society who manage the affairs of the Society and exercise all of its powers. The Management Committee comprise not less than three and not more than twelve persons, who shall mainly be elected from and by the members. Not more than one quarter of the Management Committee may comprise persons co-opted by the Management Committee.

The current Management Committee members were elected under the start-up provisions of the Society's governing document.

Elected members hold office for a period commencing immediately after the Members' meeting at which their election is declared and ending at the conclusion of the third Annual Members' meeting after that.

Retiring members of the Management Committee are eligible for re-election or re-appointment.

The Management Committee meet on average every two weeks and conducts its business in accordance with the Society's governing document and code of conduct.

The Management Committee has carried out a skills audit to evaluate its skills and expertise and the areas that need strengthening. The Management Committee welcomes interest from members with experience and expertise in governance, running events, fundraising and publicity. If you feel you have time and skills to we would love to hear from you.

Secretary

The Secretary is Secretary to the Society and acts as Secretary to the Management Committee.

Purpose, objects and powers

The Society's purpose is to carry on business for the benefit of the community.

The objects of the Society, in accordance with its purpose, shall be to carry on business by providing social and hospitality facilities and services to the local community in Saffron Walden.

The Society has the power to do anything which appears to it to be necessary or desirable for the

The Saffron Walden Community Pub Ltd

Management Committee Report for the period ended 30 June 2019

purposes of or in connection with its objects.

Achievements and Performance

Review of activities

At the last AGM held on Saturday 27 October 2018 the members discussed several options following the decision by the owners to take the Railway Arms pub off the market to develop and re-open it themselves.

It was noted the owners had already submitted a planning application to extend the internal and external space to provide food, a courtyard garden and to partition-off the outbuildings, to be heard on 2 November 2018.

It was agreed to maintain a "watching brief" whilst the application ran its course and to be in a position to make a bid should Charles Wells fail to achieve their plans and put the Railway Arms back onto the market.

It was also agreed to follow up plans to maintain the interest among the members and other supporters campaigning to save the Railway Arms and to deliver some of the community benefits that the Society was established for, through alternative ways including setting up a micro-pub in the meantime.

Regular Chairman's updates have been sent to members and supporters of the campaign to save the pub providing details on Charles Wells' original planning application. These resulted in more than fifty responses to the original planning application raising concerns ranging from issues of community and heritage value and the loss of green open space and errors and omissions in the documents submitted.

Following a report from Historic Buildings & Conservation Team at Essex County Council recommending the application should be refused on the grounds the application and new extension would have a detrimental impact on the heritage value of the building, Charles Wells withdrew the application.

The second anniversary of the Railway's closure came and went on 6 January 2019 with the pub's future still undecided.

The owners submitted a revised scaled down application on 29 March 2019 to reconfigure the interior of the building and convert the existing car park into a courtyard garden. The planning application was heard and rejected by the UDC Planning committee in October 2019 on the grounds of unacceptable harm to the locally listed building and the detrimental effect of increased on-street parking on pedestrian and highways safety.

We have contacted the owners recently to ask about their future plans for the Railway Arms, advising them that the Society was still interested in purchasing the pub should they consider putting it up for sale.

The stop start nature of the planning applications this year has made it difficult to explore other ways of delivering community benefits through, for example, a "micro-pub". Such a venture requires an investment in time and resources to prepare a business plan, raise funding and to become operationally and financially sustainable. There is a degree of uncertainty on what Charles Wells may do following their difficulties in developing the pub.

We continue to provide community events through Save The Railway Arms Pub [STRAP], the campaign group that promoted the formation of the Society and which supports the Society financially and in promoting its purposes, as set out in the Fundraising, events and support section below.

We continue to be vigilant and are saddened to see the deterioration in the condition of the pub buildings and grounds as they remains vacant.

We hope Charles Wells will eventually realise there is a sustainable alternative, having shown that we can deliver a fully funded community offer to purchase and work positively within the constraints of heritage interest and community value and still be economically viable.

Membership

The first Members of the Society were the Save The Railway Arms Pub [STRAP] committee members who signed the application for registration of the Society.

291 Shareholding members purchased shares in the Society following the launch of the share offer in

The Saffron Walden Community Pub Ltd

Management Committee Report for the period ended 30 June 2019

2017 with an average shareholding of £850 in share.

Following the owners' decision to take the Railway Arms pub off the market to develop and re-open it themselves but yet still to open it after more than a year, ten shareholders have understandably withdrawn their investment to re-invest elsewhere, enabling them to earn a return that the Society is unable to provide until it has purchased the Railway Arms and started trading. The majority of these members remain committed to supporting the purchase of the first community pub in Saffron Walden and re-investing in the Society should the opportunity to buy the pub re-arise.

Fundraising, events and support

STRAP has continued to campaign to save the pub and support the Society by raising donations, running five Pop-Up-Pub events at Fairycroft House

On Saturday 17 November 2018 STRAP rose to the challenge presented by the Mayor's Charities quiz night. A slightly understrength side posted a very creditable 2nd place and will be hoping to get the "STRAP" name on the trophy this year.

December witnessed a dual venue Pop-up-Pub when, as part of our aim to extend our community offerings, the first Philosophy in the Pop up Pub (PITPUP) was delivered on the Friday night by Richard Gilyead who has kindly agreed to bring the concept to Fairycroft House. These events provide a rare opportunity to think and drink at the same time considering the diverse subjects such as "The Philosophy of Driverless Cars". The Saturday evening session relocated to the Town Hall in order to further support the Mayor's Charities by running the bar at the Local Bands Concert.

June saw Saffron Walden's take on the World Alternative Games come to the Pop-up-Pub with Egg Throwing, Four Square, Snail Racing and Egg Russian Roulette proving particularly popular.

The Society would like to thank the Plunkett Foundation for their continued support, the Saffron Walden Town Council and the team at Fairycroft House and the Kings Arms and who have donated their support and facilities to STRAP and the Society for its events.

A special thank you is also due to all the volunteers running the events at Fairycroft House and all the members of the community who have attended and made all the events an incredible success, the Management Committee and in particular Bob Eastham who is standing down as a member of the committee.

Media and publicity

Updates are provided regularly on the website and by email to those on the mailing list. On occasions we have written press releases and these have usually found their way into the pages of the local papers. We post regularly to social media and have also used paid Facebook promotions to publicise the Society's activities.

The Society and STRAP were invited to the annual Town Meeting to join an inspiring collection of community groups and organisations presenting details of their community work that had been funded by the Town Council.

There are over 443 people, the majority in Saffron Walden but some as far away as Australia on the STRAP mailing list and there are over 124 Twitter and 326 Facebook followers.

Our sincere thanks go to Dave Hanson for maintaining and updating the website and social media pages

Financial Review

As the Society has yet to purchase Saffron Walden's first community owned pub, the financial statements reflect the fact the society has yet to trade and the expenditure incurred relate to the Society's governance.

The total expenditure incurred has been funded by donations from STRAP, to ensure that, in the unlikely event of the Society being dissolved; all shareholding members will receive their investment without deduction.

The financial statements do not reflect the grants and loan funding offered to the Society as they are contingent on the Society purchasing the Railway Arms.

The Saffron Walden Community Pub Ltd

Management Committee Report for the period ended 30 June 2019

Plans for the Future

Given the current circumstances and uncertainty over the owners' plans for the Railway Arms, the Society is faced with decisions concerning its short to medium term future.

Initial discussions with Charles Wells following the refusal of their planning application have shown they are reviewing the decision and options that include putting the pub back on the market.

The success of the owners being able to develop, re-open and operate the pub on a sustainable financial basis is dependent on obtaining planning permissions, finding a tenant to rebuild the customer base, and being able to operate the pub on a financial basis that will provide the owners the return on capital they are looking for, as well as a living for the tenant. We feel the tenanted pub business model is no longer financially viable for the Railway, particularly given its location away from the town centre, and believe that the commercial freehold or community-owned models offer the best prospect for success.

The owners' pursuit of planning permission for development linked to re-opening the pub themselves has occupied the last fourteen months and could feasibly last the same again if an appeal is considered and then lodged. A new scheme set within the parameters defined by the recent decision could be agreed much sooner and, of course, a decision to put the pub back on the market would initiate a flurry of activity that could result in the pub re-opening within a similar timeframe.

The Management Committee's recommendations to the members are to:

- continue a "watching brief" and have plans in place to make a fully funded bid should Charles Wells fail to achieve their plans, and put the Railway Arms back onto the market;
- maintain an open communication channel with Charles Wells;
- continue offering community activities and events at Fairycroft House and other venues.

The Management will consider other plans from members considered and agreed at a forum, open to members and supporters, on Saturday 9 November 2019 and at the AGM on 12 November 2019.

Going Concern

After making appropriate enquiries, the Management Committee has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Correspondence

All correspondence should be addressed to:

The Secretary to the Society
89 High Street
Saffron Walden
Essex, CB10 1DZ

The Saffron Walden Community Pub Ltd

**Management Committee Report
for the period ended 30 June 2019**

The Management Committee's' responsibilities statement

The Management Committee are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014 and laws applicable to Charities require the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit of income over expenditure for that period. In preparing these financial statements, the Management Committee are required to:

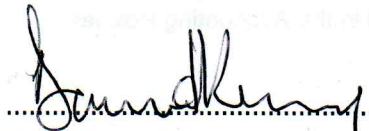
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Management Committee is responsible for keeping proper accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with The Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014 and the provisions of the Society's governing document. The Management Committee is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Society's governing document and the provisions of the Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014, the Management Committee has chosen to waive the requirement to appoint auditors and have the financial statements audited.

This report was approved by the Management Committee on 8 November 2019 and signed on their behalf by:



Dave Kenny [Chairman]



Gemma Perry [Secretary]



Tom Bennett [Treasurer]

12th November 2019.

Saffron Walden Community Pub Ltd

**Statement of Financial Activities [Incorporating the Income and Expenditure Accounts]
for the period ended 30 June 2019**

	Notes	2019 £	2018 £
<u>Income from charitable activities:</u>			
Donations and gifts in kind	2.	1,057	3,661
Total incoming resources		1,057	3,661
<u>Resources expended</u>			
Cost of generating funds	3.	-	566
Charitable activities	4.	1,057	3,095
Total resources expended		1,057	3,661
Net income / (expenditure)		£ -	£ --
Reconciliation of Funds			
Total funds brought forward		-	-
Total funds carried forward		£ -	£ -

All activities relate to continuing operations.


The notes on pages 9 to 10 form part of these financial statements.


Saffron Walden Community Pub Ltd

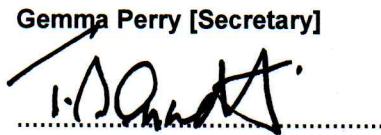
**Balance sheet
as at 30 June 2019**

	Note	2019 £	2018 £
Current assets			
Cash at bank and in hand		<u>178,650</u>	<u>243,800</u>
Total assets less current liabilities		<u>£178,650</u>	<u>£243,800</u>
Capital and Funds			
Shareholders' funds	5.	<u>178,650</u>	<u>243,800</u>
Unrestricted funds		<u>-</u>	<u>-</u>
Total Capital and Funds		<u>£178,650</u>	<u>£243,800</u>

The financial statements were approved by the Management Committee on 9 November 2019 and signed on their behalf, by:


.....
Dave Kenny [Chairman]


.....
Gemma Perry [Secretary]


.....
Tom Bennett [Treasurer]

The notes on pages 9 to 10 form part of these financial statements.

Saffron Walden Community Pub Ltd
Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Saffron Walden Community Pub Ltd constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The financial statements have been based on the expectation of the charity continuing as a going concern for the next 12 months. The Management Committee believe that there are no uncertainties regarding the accounts being prepared on a going concern basis.

1.3 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Incoming resources are not included net of expenditure, since this is considered to give more complete information concerning the Society's financial activities.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT which cannot be recovered.

1.5 Cash flow

The Society has taken advantage of the disclosure exemption of 'Section 7 Statement of Cash Flows' in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

1.6 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Saffron Walden Community Pub Ltd
Notes to the financial statements

2. Income from donations and gifts in kind	2019	2018
	£	£
Donations - Save The Railway Arms Pub	67	2,661
Gifts in kind - Venue Hire	1,000	1,000
Total income for donations and gift in kind	£1,067	£3,661
3. Costs of generating funds:	£	£
Share launch costs	-	£566
4. Analysis of charitable activities	£	£
Members meeting costs	500	500
Management meeting costs	500	500
FCA annual subscription	67	-
Society formation costs	-	550
Loan applications costs	-	900
Agent retainer fee	-	600
Bank charges	-	45
Total cost of charitable activities	£1,067	£3,095
5. Shareholders' funds	£	
Ordinary Shares of £50 each	£178,650	£243,800

Movement	Shareholders	Shares	£
At 1 July 2018	300	4,876	243,800
New shares issued	2	2	100
Shares withdrawn	(10)	(1,305)	(65,250)
At 30 June 2019	292	3,573	£178,650

The ordinary shares are redeemable at par, subject to a three month notice and at the discretion of the Management Committee that will not be unreasonably withheld.

Each shareholding member has a single vote at members' meetings.

6. Related party transactions

Save the Railway Arms Pub [STRAP] is a campaign group that promoted the formation of the Society and supports the Society financially and in promoting the Society's purposes.

The members of the Management Committee are also members of STRAP's committee.