

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

Report and Financial Statements
for the period ended 30 June 2018



The Saffron Walden Community Pub Ltd

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Saffron Walden Community Pub Ltd

**Reference and Administrative Details
for the period ended 30 June 2018**

Management Committee Dave Kenny [Chair]
Tim Walker [Vice-Chair]
Gemma Perry [Secretary]
Tom Bennett [Treasurer]
Bob Eastham
Jules Hales
Steve Langford
Kenny Wright

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 2018

Introduction

The members of the Management Committee present their first annual report together with the un-audited financial statements of Saffron Walden Community Pub Ltd ('the Society') for period from the date of registration, 14 June 2017 to 30 June 2018. The Trustees confirm 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".

Under the start-up provisions of the Society's governing document, all the members of the first Management Committee retire at the conclusion of the first Annual General Meeting of the Society's members. 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 running events, fundraising and publicity.

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 purposes of or in connection with its objects

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Management Committee Report for the period ended 30 June 2018

Achievements and Performance

Review of activities

In January 2017 the Railway Arms was closed by the owners Charles Wells Ltd. It was offered for sale by private treaty with continued licensed use or conversion and, or development potential.

Save The Railway Arms Pub (STRAP), the campaign group established in 2015 to address concerns about the future of the pub lobbied the Town Council to nominate it as an Asset of Community Value (ACV) and it was registered as such on 31 March 2018. Having achieved its first objective, the members of STRAP agreed to set up a legal entity to allow the community to raise funds and make a bid to purchase the pub.

A Community Benefit Society ["the Society"] was registered by the FCA on 14 June for the purposes of offering shares to the community, applying for grant and loan funding, bidding to purchase the Railway Arms pub and, if successful, manage it.

The Society applied to the "More Than a Pub" (MTAP) programme, administered by the Plunkett Foundation, and was awarded a grant of £50,000 and a matched short term loan of up to £50,000 from the Co-operative and Community Finance Bank. The Society was also successful in being offered long term loan funding of £100,000 from the Triodos Bank. These grants and loans were predicated on having an offer accepted by the owners of the Railway Arms. The Society contacted other grant making organisations, notably the Architectural Heritage Fund to whom, subject to having purchased the Railway Arms, the Society could apply for bursaries and grant funding of up to £30,000 and short term loan funding if required.

The Society prepared a business plan for the purchase and operation of the Railway to be financed by:

- a community share offer of between £200,000 and £250,000;
- loans/ mortgage finance of up to £150,000 on commercial terms;
- grants from charitable trusts and other organisations of up to £75,000;
- a shareholding/ loan of up to £50,000 from a joint venture to run a micro-brewery at the pub.

A community share offer was launched on 4th October 2017 and by the end of the month the Society had raised sufficient funding to exercise its Community Right to Bid for the Railway Arms. The share offer closed on 31st January 2018 having reached the target of £250,000.

On 1st November 2017, having successfully raised £450,000 the Society offered the owners £300,000 plus VAT for the freehold. First contact with the owners was made in late December, 2017. This was followed by with a meeting on 16th February 2018 when members of the Management Committee met with Peter Wells, the Commercial Director at Charles Wells Ltd.

At the meeting Peter Wells was informed that the Society was able to increase its offer to £350,000 plus VAT and could grant a generous overage provision. Peter advised the owners were considering developing and opening the pub again themselves, but agreed to present the Society's increased bid to a meeting of the Board of Directors on 9th April 2018, together with their own plans to take the pub off the market, redevelop and re-open it themselves.

The Board of Directors rejected the Society's increased offer preferring their own plans. which they conceded are dependent upon acquiring planning permission for the development and finding a suitable person willing to take on the tenancy and to rebuild a profitable customer base. The owners confirmed that if planning permission is not granted and/or they are unable to find a suitable tenant, they may put the pub back on the market.

Since April adverts for tenants have been published which declare that a "Major Refurbishment" is planned along with a remodelling of the pub and its grounds.

SWCP Ltd sought member's views on these proposals through an online survey in May and reported them to a Special Members Meeting at the Town Hall. Responses from 252 people suggested that 87.7% are disappointed or very disappointed that the Railway Arms will not be a Community Owned Pub under these plans and will visit only occasionally at best.

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Management Committee Report for the period ended 30 June 2018

Additional comments were offered by 184 people and the meeting felt that the Society should keep a “watching brief” on the Railway over the coming months and that, in tandem, the Society should investigate making an active start on delivering the social benefits of a community pub for Saffron Walden. The Management Committee was asked to develop a plan to fulfil these aspirations, whilst maintaining our primary purpose and ensuring that we are in a position to purchase the Railway Arms should it come back on the market.

The Railway was included in the Local Heritage List along with its outbuildings in June. Of all the buildings in Saffron Walden, only the Friends School meets more of the criteria for local listing. Its historic and architectural significance can be viewed as a material planning consideration in applications affecting it. At the same time the garden was proposed for inclusion in the Neighbourhood Plan as “Green Open Space”. These moves are designed to ensure that the pub’s significance is preserved, and where possible enhanced, as part of any future development proposals.

On 27th June, after several extensions to their conditional offer of a grant to the Society, in light of the owner’s decision not to sell the Railway Arms to the Society, the More Than a Pub programme panel notified the Society that they were unable to offer a further extension. Although the panel remain supportive of the Society’s efforts, other applications were coming forward with the potential to draw down funds within the lifetime of the programme. Without a willing seller it would have been wrong if funds that could be used to save other pubs were allocated to the Society at a time when demand for funds exceeded availability. The panel advised the Society that they will review its application towards the end of the programme when more is known about the status of current allocations and unspent funds.

On 31st August 2018 the owners submitted a planning application to UDC. The matter will be resolved by the UDC Planning Office by 2nd November. Should it receive the Planning Officer’s approval, the planning application will be “called-in” for full consideration by the UDC Planning Committee.

The planning application outlines a scheme that would isolate the main pub building from the garden and from its stables, cart shed and workshop buildings. Plans published on the owner’s website (www.charleswellspubs.co.uk/pub-view/railway-saffronwalden), but not included in the planning application, illustrate two houses in the garden. 52 responses, overwhelmingly opposed to the plans, were submitted before the consultation deadline.

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.

Following the launch of the share offer, there are now 291 Shareholding members with an average share holding in the Society of £850 in share.

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 and supporting two Pop-Up-Choir events at Fairycroft House

STRAP also promoted the campaign and share offer through the presence of its volunteers in the Market Square during 2017.

STRAP raised £2,900 in bursaries and donations and £1,965 from its events at Fairycroft and has donated £2,661 to the Society to fund its registration as a Community Benefit Society and its share-pledge and offer campaigns.

The Society would like to thank the donors who supported STRAP, the More than a Pub Programme, the Saffron Walden Round Table, Waitrose as well as the Town Council and Tim Atkinson 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 and Market Square and all the members of the community who have attended and made all the events an incredible and, for the Management Committee, a rewarding success.

Media and publicity

Following the decision by the members of STRAP to set up the Society, through the valuable help of its supporters and in particular of Dave Hanson, Anna Bromfield, Will and Ben Hartley, a new logo, website

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Management Committee Report for the period ended 30 June 2018

and social media pages were designed and launched in early January 2017.

Over 548 people, the majority in Saffron Walden but some as far away as Australia and New Zealand, joined the STRAP mailing list and there are over 120 Twitter and 300 Facebook followers.

Updates are provided regularly on the website and by email to those on the mailing list and STRAP has used paid Facebook promotions to publicise the Society's pledge and share offer campaigns. Co-ordinated regular press releases and adverts have appeared in the Saffron Walden Reporter and Walden Local newspapers and volunteers have been tramping the streets delivering leaflets and putting posters up in local shops.

STRAP has used Survey Survey for running surveys to gauge members' and supporters' views on the type of community pub they would like as well as on other plans for the pub

Financial Review

As the Society has as yet to purchase Saffron Walden's first community owned pub, the financial statements only reflect the costs incurred in the formation and registration of the Society as a Community Benefit Society, the share launch, applying for loan finance and employing an agent to represent the Society in its negotiation with the owners of the Railway Arms.

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.

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. These will be largely defined by the outcome of the current planning application. A number of scenarios present themselves for debate and discussion at the AGM.

Going Concern

After making appropriate enquiries, the Management Committee has a reasonable expectation 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 2018

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

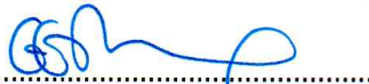
In accordance with the Society's governing document and the provisions of the Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014, the Management Committee has chosen to waive the requirement to appoint auditors and have the financial statements audited.

This report was approved by the Management Committee on 27th October 2018 and signed on their behalf by:



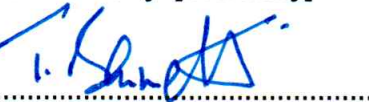
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Dave Kenny [Chairman]



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Gemma Perry [Secretary]



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Tom Bennett [Treasurer]

Saffron Walden Community Pub Ltd

**Statement of Financial Activities [Incorporating the Income And Expenditure Account]
for the period ended 30 June 2018**

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

All activities relate to continuing operations.

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

Saffron Walden Community Pub Ltd

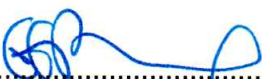
**Balance sheet
as at 30 June 2018**

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

The financial statements were approved by the Management Committee on 27 October 2018 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	£
Donations – Save the Railway Arms Pub	2,661
Gifts in kind - Venue Hire	<u>1,000</u>
Total income for donations and gift in kind	<u>£3,661</u>
3. Costs of generating funds:	£
Share launch costs	<u>£566</u>
4. Analysis of charitable activities	£
Society formation costs	550
Loan applications costs	900
Agent retainer fee	600
Members meeting costs	500
Management Meeting costs	500
Bank charges	<u>45</u>
Analysis of resources expended	<u>£3,661</u>
5. Shareholders' funds	£
Ordinary Shares of £50 each	<u>£243,800</u>

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.