

**The Saffron Walden Community Pub Ltd
Trading as The Railway Arms**

**Annual Report and unaudited Financial Statements
for the year ended 30 June 2021**



The Saffron Walden Community Pub Ltd
[Trading as the Railway Arms]

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Reference and administrative details

Management Committee	Member	Term ends*
	Dave Kenny [Chair]	2021
	Rupert Taylor	2023
	Sara Eastham	2023
	Jules Hales	2023
	Kevin Hutchinson	2023
	Steve Langford	2023
	Gemma Perry	2021
	Paul Price-Smith	2023
	Tim Walker [Vice-Chair]	2023
	Kenny Wright	2022

[Management Committee members hold office for a period commencing immediately after the Members' meeting at which they are elected and end at the conclusion of the third Annual Members' meeting after that.]*

Secretary Paul Price-Smith from 01/07/2021 [previously Gemma Perry,]

FCA registered number 7574

Principal office The Railway Arms
Station Road
Saffron Walden
Essex
CB11 3HQ

Bankers Metro Bank PLC
One Southampton Row
London
WC1B 5HA

Advisors Inn Control
10 Cheyne Walk
Northampton
Northamptonshire
NN1 5PT

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

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Management Committee report for the year ended 30 June 2021

Introduction

The members of the Management Committee present their annual report together with the unaudited financial statements of Saffron Walden Community Pub Ltd ('the Society') for the year ended 30 June 2021. 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 documents and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (March 2018).

Governance, Structure and Management

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

Members

Membership is how 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 organization) 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 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.

Two of 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 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 welcomes interest from members with experience and experts in governance, administration, business, financial matters, fundraising, human resources, legal, marketing and project management. If you feel you have time and skills to offer, 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 of 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.

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Management Committee Report for the year ended 30 June 2021 [continued]

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.

Achievements and Performance

Review of activities

As reported last year, following the decision of the owners of the Railway to put the pub back on the market in December 2019 and after re-applying for funding from the Plunkett Foundation, Co-operative & Community Finance (CCF) and Triodos Bank and issuing a second share issue, the Society as able to make an offer that was accepted on 1st July 2020. The Railway Arms finally passed into community ownership on 12th October 2020.

Throughout the reporting period regular Chairman's Updates have been sent to the membership and supporters of the Railway Arms. These can be found on the Latest News section of the Save the Railway Arms Pub website

Highlights are reported here.

- **July 2020.**

The reporting period opened with the news that our offer to purchase the Railway Arms had been accepted on 1st July (and ended with the pub professionally staffed and trading 7 days a week).

- **September 2020.**

Community Share Booster target reached. Every pound invested would be matched in shares purchased by Cooperatives UK, backed by the Architectural Heritage Fund. Our £50,000 became £100,000

- **October 2020.**

2nd Cider Saturday. 800 litres of apple juice pressed from donated apples.

Monday 12th October. The Railway Arms passed into community ownership.

Purchase triggered a huge community effort. gardening, cleaning, decorating and minor works and maintenance work parties established to help with the refurbishment.

Saturday 31st October. Open Day. The Railway Arms opened its doors to visitors for the first time in four years. Saffron Walden Camera Club exhibition brilliantly illustrated progress made. Our "Standard Mark" badged (second) share offer closed having attracted £79,800 (£129,800 including the booster).

- **December.2020**

The courtyard was cleared of buddleia, the fire escape and garden emerged after years of neglect, plans for the bar and the cellar began to take shape. The managers accommodation reclaimed and ready for decoration. Schedule of minor works costed and deemed achievable.

Annual General Meeting took place for the first time on the newly familiar (to some) video conferencing app Zoom. A new Management Committee was elected. New expertise required to support a shift from campaigning to becoming a pubco was added.

- **January 2021**

A busy month, A recruitment campaign was taking shape; quotes and estimates from contractors in; the deep clean of the kitchen equipment was started; the bar and cellar refit was underway.

The Ladies WC had to be completely refurbished after the disastrous leak from the water pipe and a slower leak from the roof left it damp, dank, and unusable in October.

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Management Committee Report for the year ended 30 June 2021 [continued]

• March 2021

Bar room floor was sanded, oiled, and waxed. Bold new colour scheme brought the bar back to life. Bar and cellar refitted. The pub was established totally free of tie and beholden to no-one, customers aside, for its range of drinks. The kitchen was professionally cleaned and serviced; our registration as a food business was in place.

The lawn had been reseeded and the flower beds were beginning to show signs of spring colour as we worked towards opening the pub, utilising outdoor space only. New garden furniture, assembled by a socially distanced army of volunteers was ready for the big day.

Recruitment was well underway, and several interviews had taken place with more to come in April. We would be able to welcome a Business Manager and our much-anticipated Publican before long.

• April 2021

The cellar which had suffered neglect and long-standing water ingress from the rear of the pub and a failing drain, leaving us with a damp wall and rotted floorboards, beams, and joists at the threshold above was underpinned with specially engineered steel work and rendered structurally sound again.

Management Committee focus switched to scrutinising expenditure, identifying suppliers and stock; interior and graphic design; recruitment and a myriad of other concerns.

Friday 16th April 2021. The Railway Arms opened for business for the first time since January 2017. Outside, and initially only at weekends, it was staffed by a wonderful army of volunteers. The table ordering app became part of our lives.

As we worked towards a carbon neutral future we requested that customers walk, cycle or use public transport when visiting the pub wherever possible.

Ladies WC reopened and scaffolding was erected around the pub so that works to the chimney, roof, windows, and repointing with traditional lime mortar could begin.

• May.2021

Graham Pearson appointed as Manager of the Railway Arms. With over thirty years of experience in the pub trade (including as the inaugural manager of London's first cooperative pub, The Ivy House) we were (and are) in good hands.

Saffron Social Cyclists make the Railway Arms the base for their Sunday morning and weekday evening rides. All levels catered for.

Friday 21st May. The Railway Arms opened its doors and bar room to customers.

Membership

There were 362 shareholding members at the start of the year. One member, who had purchased shares in 2017, withdrew their investments prior to the owner of the Railway Arms putting the pub back onto the market in December 2019. A second share issue was launched in May 2020 and by the time the second share issue closed on the 31 October 2021, the total number of shareholding members stood at 505 and at 30 June 2021, the total number of shareholders stood at 507.

Fundraising, events and support

The focus for fundraising at the beginning of the year, was to re-apply for the funding and support that had originally been granted to the Society in 2017-18 by the Plunkett Foundation, Co-operative & Community Finance and Triodos Bank. This had lapsed following the owner's decision to take the Railway Arms off the market in 2018 to try and re-open it themselves. The Society was successful in securing the previously agreed funding and also launched a second share issue to top up the remaining share capital raised during 2017-18.

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Management Committee Report for the year ended 30 June 2021 [continued]

The second share issue received an enormous boost when the number of shares purchased exceeded £50,000 that triggered a further £50,000 purchase of shares by the Community Share Booster Programme. Through the support of the shareholders, the Share Booster Programme, the Plunkett Foundation, Co-operative & Community Finance and Triodos Bank, the Society raised over half a million pounds to both purchase the pub and have a healthy building and development reserve.

Media and publicity

The Management Committee provides updates regularly on the Society's website and by email to all shareholding members and other supporters on the mailing list. The Railway Arms appears regularly in the local press highlighting anniversaries, milestones, awards and events open to the community such as the Fête de la Musique and apple pressing.

The Railway Arms has its own website, emailing list and social media platforms to publicise and promote upcoming events and activities at the pub.

There are 1,360 subscribers on the mailing list, 1100 subscribers on Facebook, 222 followers on Twitter and 499 on Instagram.

Our sincere thanks go to Dave Hanson for maintaining and updating the Society's website and Steve Langford for the Railway Arms' website.

Financial Review

The Society gained ownership of the Railway Arms on 12 October 2020 and it was in a rather a sorry state. It then spent the next six months clearing the gardens, refurbishing and decorating the external building, internal trading areas and staff accommodation and installing new cellar equipment.

The pub opened on the 16 April 2021, initially on Fridays to Sundays only each week and in line with the Government's Covid restrictions limiting trading to outside only. From Friday 21st May 2021 the pub opened fully indoors and outdoors for seven days a week. In the two and half months from opening to the year end, takings during this restricted period were £67,658. The Railway Arms received £12,000 from Uttlesford District Council as part of the government's COVID 19 financial support packages for small to medium sized organisations.

Graham Pearson, the Manager, was appointed in the second week of May 2021 and one of his first tasks was to recruit bar and kitchen staff to take over the running of the pub from the many volunteers who had stepped up to allow the pub to re-open. The administration costs include employment costs totalling £8,472 for Graham and staff recruited from early May 2021 to the year-end, 30 June 2021.

The administration costs also include establishment costs totalling £17,900 for light, heat and insurance and, significantly, £13,808 for refurbishing and decorating the exterior of the building, internal trading areas and staff accommodation.

Other operating income relates to the £50,000 donation received from the More Than a Pub programme granted to part fund the purchase and development of the Railway Arms.

Excluding the donation, the Society made a surplus of £10,615 before loan interest of £8,694 that, in light of the difficult trading restrictions and the amount spent on refurbishing the building and gardens to allow the pub to re-open, the Management Committee regard as a satisfactory financial result.

Tangible Fixed Assets on the balance sheet includes Land and Buildings, £421,850, being the purchase price of the Railway Arms, £405,000 plus stamp duty and related purchase costs totalling £25,459 less amortisation £3,587.

Further information on the balance sheet is provided on the notes to the financial statements.

Management Committee Report for the year ended 30 June 2021 [continued]

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Plans for the Future

As our programme of minor works to the pub interior nears completion, we can turn our attention to re-pointing at low level as the warmer weather returns in the spring. Plans for the outbuildings, courtyard and gardens are also in development and we were fortunate to benefit from Plunkett Foundation sponsored support in advancing these. Quotes and estimates are in for a necessary resurfacing of the courtyard and hardstanding. We inherited a gravelled yard, and we know it isn't fully accessible as it must be. Discussions concerning appropriate materials are in train and we hope to begin work very soon. Similarly quotes and estimates are in place for a major element of our move towards a carbon neutral future. We have been fortunate to work with Saffron Walden Community Energy on an invited application for grant aid for loft insulation and the siting of solar panels on the south facing roof of the north range buildings. Watch out for news and a programme of work replacing the roof with a new insulated one capable of supporting our own energy-generating solar panels. The east range of buildings, stables, hayloft and coach house will be a longer-term project, but we have early-stage drawings and work to finalise plans and seek grant funding will occupy our thoughts this year. With works going on in and around the courtyard the garden is likely to be the focus of our outdoor offering in spring and early summer at least. Long terms plans for the garden/s are being discussed and we can be confident that it will continue to be the best pub garden in town. Plans for the workshop are being finalised and it is hoped that the space will host a community shed, a repair café and a library of things.

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
The Railway Arms
Station Road
Saffron Walden
Essex, CB11 3HQ

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Management Committee Report for the year ended 30 June 2021 [continued]

The Management Committees' 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 Co-operative and Community Benefit Societies Act 2014 requires 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;
- 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 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.

Approved and authorised by the Management Committee on 26 January 2022 and signed on its behalf by:

.....
D Kenny
Chairman

.....
T Walker
Treasurer

.....
P Price-Smith
Secretary

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Income and Expenditure accounts for the Year Ended 30 June 2021

	Note	2021 £	2020 £
Turnover	2	79,658	-
Cost of sales		<u>(32,391)</u>	-
Gross profit		47,267	-
Administrative expenses		(36,652)	(2,200)
Other operating income	3	<u>50,000</u>	<u>2,200</u>
Operating profit	4	60,615	-
Interest payable and similar expenses	5	<u>(8,694)</u>	-
Profit before tax		<u>51,921</u>	-
Profit for the financial year		<u>51,921</u>	-

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 10 to 12 form an integral part of these financial statements.

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Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	431,403	-
Current assets			
Debtors	7	7,498	88,562
Cash at bank and in hand		99,821	122,550
		<u>107,319</u>	<u>211,112</u>
Creditors: Amounts falling due within one year	9	<u>(24,244)</u>	<u>(212)</u>
Net current assets		<u>83,075</u>	<u>210,900</u>
Total assets less current liabilities		514,478	210,900
Creditors: Amounts falling due after more than one year	9	<u>(160,257)</u>	<u>-</u>
Net assets		<u>354,221</u>	<u>210,900</u>
Capital and reserves			
Called up share capital		302,300	210,900
Profit and loss account		51,921	-
		<u>354,221</u>	<u>210,900</u>
Shareholders' funds		354,221	210,900

Approved and authorised by the Management Committee on 26 January 2022 and signed on its behalf by:

.....
D Kenny
Chairman

.....
T Walker
Treasurer

.....
P Price-Smith
Secretary

The notes on pages 10 to 12 form an integral part of these financial statements.

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Notes to the unaudited Financial Statements for the year ended 30 June 2021

I Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in relevant notes to these accounts. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Charities Act 2011.

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

Going concern

The financial statements have been based on the expectation of the charity continuing as 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.

Income

All income is recognized 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.

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.

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".

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Fixtures and fittings	15% straight line

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Cash at Bank and in Hand

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

2 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	67,658	-
Grants received	12,000	-
	<u>79,658</u>	<u>-</u>

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Donations	<u>50,000</u>	<u>2,200</u>

4 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	3,587	-
Operating lease expense - plant and machinery	<u>300</u>	<u>-</u>

5 Interest payable and similar expenses

	2021	2020
Interest on bank overdrafts and borrowings	<u>8,694</u>	<u>-</u>

6 Tangible assets

	Land and buildings	Furniture, fittings and equipment	Total
	£	£	£
Cost or valuation			
Additions	<u>430,459</u>	<u>4,531</u>	<u>434,990</u>
At 30 June 2021	<u>430,459</u>	<u>4,531</u>	<u>434,990</u>
Depreciation			
Charge for the period	<u>3,450</u>	<u>137</u>	<u>3,587</u>
At 30 June 2021	<u>3,450</u>	<u>137</u>	<u>3,587</u>
Carrying amount			
At 30 June 2021	<u>427,009</u>	<u>4,394</u>	<u>431,403</u>

For depreciation purposes, the Management Committee have estimated the value of the land at £200k, and the buildings together with acquisition costs at £231k. Using this valuation, the depreciation/amortisation charge would be £3,450.

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7 Debtors

	2021	2020
	£	£
Trade debtors	7,498	-
Other debtors	-	88,562
	<u>7,498</u>	<u>88,562</u>

8 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	882	-
Cash at bank	98,939	122,550
	<u>9,821</u>	<u>122,550</u>

9 Creditors

	2021	2020
Note	£	£
Due within one year		
Loans and borrowings	9,370	-
Trade creditors	2,765	212
Social security and other taxes	10,265	-
Other payables	1	-
Accruals	1,843	-
	<u>24,244</u>	<u>212</u>
Due after one year		
Loans and borrowings	<u>160,257</u>	-

10 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary Shares of £50 each	6,047	302,300	4,218	210,900

Shares are not transferable except on death or bankruptcy and are withdrawable at the sole discretion of the Management Committee in accordance with the Rules as outlined in Section 8.4 of the Society's Model Rules.

Each shareholding member has a single vote at members meetings

11 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.

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Detailed Income and Expenditure accounts for the year ended 30 June 2021

	2021	2020
	£	£
Turnover (analysed below)	79,658	-
Cost of sales (analysed below)	(32,391)	-
Gross profit	47,267	-
Gross profit (%)	59.34%	0%
Administrative expenses		
Employment costs (analysed below)	(8,472)	-
Establishment costs (analysed below)	(17,900)	-
General administrative expenses (analysed below)	(6,671)	(1,700)
Finance charges (analysed below)	(22)	(500)
Depreciation costs (analysed below)	(3,587)	-
	(36,652)	(2,200)
Other operating income (analysed below)	50,000	2,200
Operating profit	60,615	-
Interest payable and similar charges (analysed below)	(8,694)	-
Profit before tax	51,921	-

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Detailed Income and Expenditure accounts for the year ended 30 June 2021

	2021 £	2020 £
Turnover		
Sales, UK	67,658	-
Grants and subsidies	12,000	-
	<u>79,658</u>	-
Cost of sales		
Purchases	(32,391)	-
Employment costs		
Wages and salaries	(6,370)	-
Casual wages	(2,102)	-
	<u>(8,472)</u>	-
Establishment costs		
Light, heat and power	(2,169)	-
Insurance	(1,630)	-
Repairs and maintenance	(13,808)	-
General maintenance	(293)	-
	<u>(17,900)</u>	-
General administrative expenses		
Printing, postage and stationery	(222)	-
Trade subscriptions	(652)	(212)
Hire of plant and machinery (Operating leases)	(300)	-
Sundry expenses	-	(1,000)
Advertising	(84)	(488)
Accountancy fees	(1,843)	-
Legal and professional fees	(3,570)	-
	<u>(6,671)</u>	<u>(1,700)</u>
Finance charges		
Bank charges	(22)	(500)
Depreciation costs		
Depreciation of freehold property	(3,450)	-
Depreciation of fixtures and fittings (owned)	(137)	-
	<u>(3,587)</u>	-
Other operating income		
Grants and donations	50,000	2,200
Interest payable and similar expenses		
Bank loan interest payable	(8,694)	-