

The Mortimer Community Benefit society

Annual Members' Meeting

Held by Zoom on Wednesday 28th October 2020

<p>1. Welcome and Housekeeping</p>	<p>Marianne Taylor as Chair of the Mortimer Community Benefit Society (MCBS) introduced herself and welcomed everyone to the first AMM held via Zoom. Housekeeping was covered first.</p> <ol style="list-style-type: none"> i. Sound and Video. Participants are muted so speakers can be heard, however they can be unmuted if they wish to say something. Video should be 'on', making it easier to see hands when voting, those without cameras can vote via voice or the chat facility. ii. Questions. Pre-submitted questions will be read out and answered in the relevant part of tonight's agenda. If questions come up in the meeting please write them in the chat box. These will be answered after Item 7', and if they can't be answered tonight then questions and answers will be circulated after the meeting. iii. Voting. If shares are held in joint names then you have one vote, shares held in separate names have a vote each. First those voting <i>against</i> a motion will hold their hands up, then those who are abstaining will do the same; this will likely be easier than trying to count hands from those in favour using multiple Zoom screens. iv. GDPR. The names of participants have been recorded. The zoom meeting and the chat log will be recorded, then once the minutes have been finalised and any questions taken from the chat log these recordings will be deleted. If anyone isn't able to give their consent they would need to leave the meeting now.
<p>2. Apologies</p>	<p>Apologies were received from Hetty and Adam Scott and Helen Humphrey-Taylor. Jeff Woodfield had technical difficulties in joining the meeting.</p>
<p>3. Approval of the minutes of the AMM from 27/9/19</p>	<p>Marianne Taylor as Chair presented this item. Shareholders have been sent last year's minutes. These were mainly directed towards the future and the search for the ideal tenant, something which has been achieved. Other objectives were: improvements to the structure and services of the buildings. The electrical upgrade has been completed, a new walk-in cold room has been installed, as has a tenant's kitchen upstairs, as well as some external painting and complete new guttering. However, the effect of the pandemic in delaying the start of the new tenancy meant we weren't able to do everything we planned. Further funding has been obtained including a commercial loan which has enabled repayment of a substantial amount of the private loans, and a second share offer is about to be launched. The motion that the meeting accept the minutes of the 2019 meeting was carried unanimously.</p>
<p>4. Chair's Report</p>	<p>Marianne Taylor reminded the meeting that the chair's report had been circulated to all shareholders previously and is on the website. Members can email any of the management committee if they would like to explore anything in it further. Questions submitted before the meeting were read out and answered as follows:</p> <p>Question 1: <i>"In the accounts as reported by Third Sector Accountants, Chris Howells is not listed as having held the office of vice chair between 8/10/2019 and 6/2/2020".</i></p> <p>Answer 1: This was an oversight and apologies were expressed to Chris for the mistake.</p> <p>Question 2: <i>"Just wondering why they are recruiting another chef? Just hoping Nick is not leaving as he is so great!"</i></p> <p>Answer 2: Nick is not leaving; they are looking for a sous-chef and a commis-chef.</p> <p>Marianne concluded by thanking all committee members past and present for their efforts as well as all volunteers, supporters, lenders and shareholders. Marianne also asked members to join her in welcoming Nick, Dom and their families to The Bell at Yarpole and to continue to give them every support going forward in these difficult times. It was repeated that all the documents from the meeting would be available on the MCBS's website.</p>
<p>5. Receipt of the Society's Annual Accounts for the period</p>	<p>Sam Morgan as Treasurer presented this section of the AMM. The annual accounts have been circulated amongst shareholders and are available on the website. In summary, the delays in finding tenants and the start of trading due to Covid caused a loss of revenue from rent for the financial year. The turnover was £11,286. The autumn fundraising filled a lot of the gap in income raising nearly £7K which covered the bills. The community came together to put these events on</p>

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30/6/20

and keep the pub open, and without this the accounts would have looked very different. It enabled us to use some of the cash reserves to make vital repairs, whilst the £10K government grant for Covid (SBGF) enabled a new kitchenette to be installed upstairs, the refurbishment of the outhouse that contained the obsolete cold room, and the installation of a new cold room. Without this the tenants could not have started trading. We qualified for the SBGF (Small Business Grant Fund for Covid) money as we are registered for Rural Rate Relief, and the grant was promptly paid through Hereford Council following our enquiry. The cost of the kitchenette will be mostly recovered over the present 5-year tenancy by an uplift to the Fixtures & Fittings rate paid by the tenants. Private loans at the end of the 2018-2019 financial year totalled £90K; £30k of this has since been exchanged for a commercial loan (October 2020) enabling the repayment of two of those private loans. *These events fall into the next financial year (July 2020-June 2021) but were mentioned by the Treasurer in response to a question received about debt.* One of the remaining lenders has requested that their loan is converted to shares. Looking at the net position, the property is subject to annual depreciation applied in the accounting process, and this will continue until a full re-valuation is carried out. At the last valuation (February 2018) the pub was not trading and was in need of a lot of work; if it were valued now, much improved and a going concern it will likely be worth more than we paid for it. So the value of the asset compared to the number of shares we have puts us in a stronger position.

Question 1: *“The premises insurance is much lower this year than last, with a huge difference, especially when the pub was empty for a long time. Just interested to know why this is please?”*

Answer 1: For last year’s insurance the whole cost was put in for the period and not pre-paid over the correct accounting periods. This year the correct amount of insurance has been recognised on a monthly basis and has been correctly accounted for in the financial year rather than in a calendar year.

Question 2: *“Please could you confirm the amount and terms of the new commercial loan?”*

Answer 2: The new loan is for £30k, unsecured.

Question 3: *“Is this the £90k shown as due within one year as at 30/6/2020 or does the new loan supersede this?”*

Answer 3: It is part of the £90k

Question 4: *“How do we intend to repay this loan?”*

Answer 4: The £30k loan will be repaid over 6 years from the income from rent. It’s an unsecured loan with no penalty for early repayment.

Question 5: *“Whilst I appreciate we don’t need to have the accounts audited I feel it is imperative that shareholders should have the opportunity to vote on this”.*

Answer 5: We are about to vote on it

Question 6: *“Is the £10K government grant part of the business rates grant relating to the coronavirus support?”*

Answer 6: The Bell does not pay business rates, it benefits from small business Rural Rate Relief which made us eligible and this came through quickly.

Question 7: *“Are the tenants now responsible for business rates?”*

Answer 7: As already said there are no business rates however the tenants are liable for council tax on their accommodation.

Question 8: *“What is the rationale behind not having the accounts audited again this year, when there is such a large amount of shareholder money involved?”*

Answer 8: Third Sector Accountancy felt that the £3k audit fee was a disproportionate and unnecessary cost for the society and they questioned whether we felt it was needed. The accounts are digitised, and all committee members can access the accounts via the ‘Xero’ accounting software package. There are about three transactions every month and the bank details are shared at each committee meeting. This gives a high level of financial transparency within the committee. The accountants also have access to the accounts package and the bank data and using these can produce the account reports.

The motion to accept the 2019-2020 accounts was proposed, seconded and agreed unanimously. The motion to agree that the 2020-2021 accounts be prepared without an audit and be presented with an accountant’s report was proposed, seconded and agreed unanimously.

6. Appointment of Accountants for 2020-2021	The motion to appoint Third Sector Accountancy Ltd. as accountants was proposed by Andrew Prail, seconded by Kate Darby and passed unanimously.
7. Elections to the Management Committee	<p>Alex Jenkins introduced himself as the Secretary and explained some of the MCBS rules. These state that committee members should serve for a term of three years, and also that after the first year a third of committee members should step down. This is to ensure continuity of corporate knowledge as well as rollover on the Management Committee. At the end of the last AMM there were ten committee members, of which five stepped down during the course of the year. This means that there is no need for any of the remaining committee members to step down. At the first committee meeting after the last AMM, Jeff Woodfield joined as a co-opted member. He has been a helpful and valuable member of the committee during the year and has agreed to put himself forward for election. His election has been proposed by Clive Sheriden and seconded by Peter Morgan. The motion that Jeff Woodfield is elected to the MCBS management committee was passed unanimously. Two new nominations were received. First Eric Waters was proposed by Jeff Woodfield and seconded by Clive Sheriden. Secondly Wendy Clare was proposed by Caroline Arthur and seconded by Jane Cross. Eric Waters and Wendy Clare introduced themselves and said a few words about why they would like to serve on the committee. The motion that Eric Waters is elected to the MCBS management committee was passed unanimously. The motion that Wendy Clare is elected to the MCBS management committee was passed unanimously.</p>
	Marianne Taylor as Chair invited further questions or comments from the participants, however there were none. The meeting was wound up with a reminder that publicity about the new share offer would be available soon. Then, thanking everyone for attending, Marianne closed the meeting.