



the

CROSS KEYS

REDGRAVE

ANNUAL GENERAL MEETING

27TH JULY 2019

Agenda

- Welcome & introduction to the committee
- Apologies
- **Approval of the minutes of the AGM held on 28th July 2018 and the Special Members' Meeting held on 24th November**
- Report on the Society's progress
- Accounts for the period 1st February 2018 – 31st January 2019 and a review of performance since 1st February 2019
- **Approval of the Accounts and Chairman's report**
- The Future
- **Resolutions**
 - **Approval to tender for an accounting inspection by suitably qualified accountants instead of an audit.**
 - **Approval for the committee to negotiate to replace existing loans with a mortgage**
- Any other business
- Thanks and close
- Results of the election of the new Management Committee

Approval of the minutes of the AGM held on 28th July 2018 and the Special Members' Meeting held on 24th November

Proposed [addition](#) to the minutes of the Special Meeting:

4. Resolution – to enable the Management Committee to make a further tranche of shares available, up to £31,000.

[During the discussion and in response to a question from a member the Treasurer informed the membership that none of the funds raised from the proposed share issue were to be used to repay any of the society's borrowings](#)

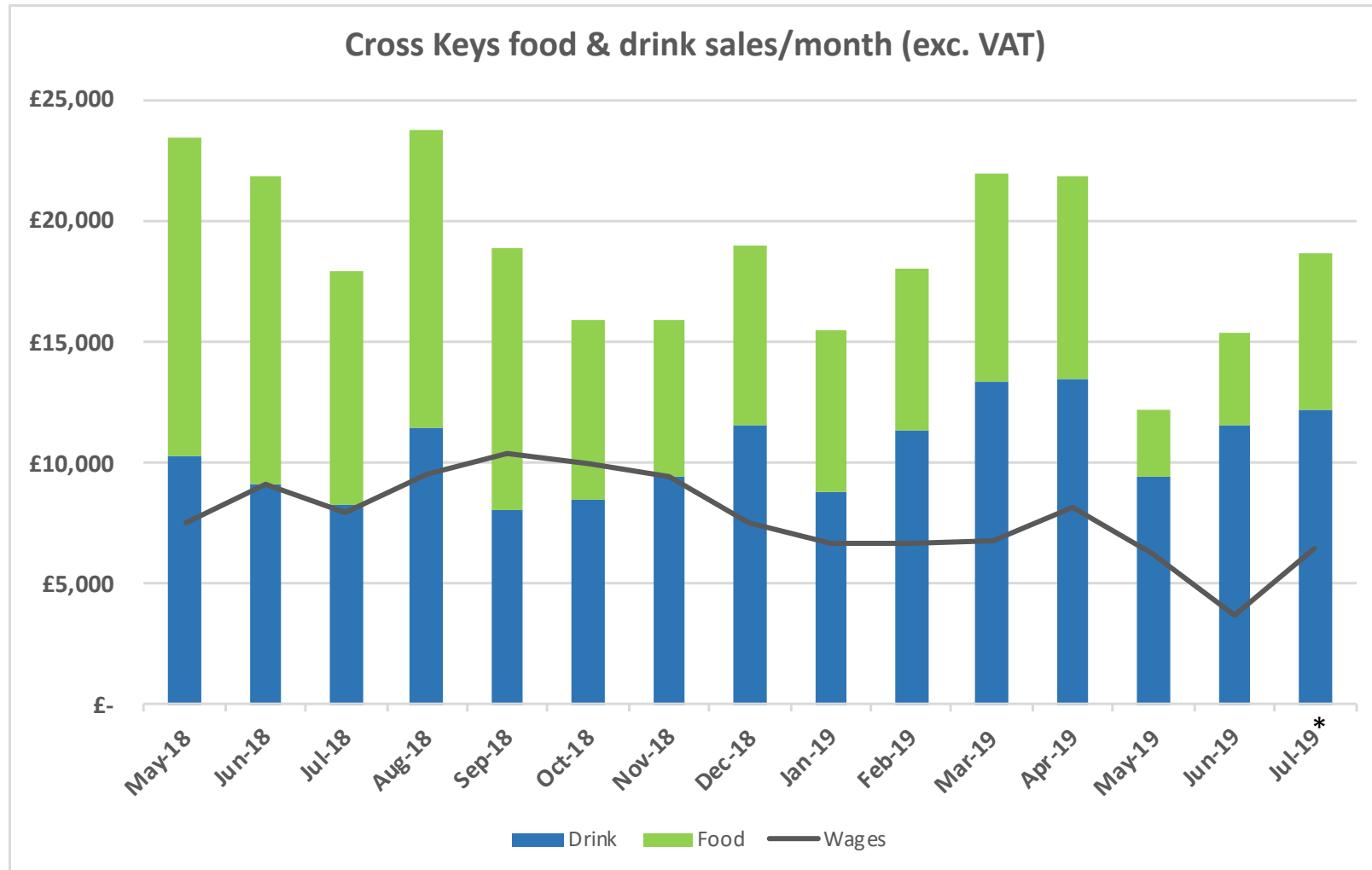
[In response to another question about the recent individual loans amounting to £17,500, the Treasurer informed the members that these loans were needed for cash flow purposes and there were no conflicts of interest considerations in relation to the society taking out these loans.](#)

a. Approved by 93 votes to 32.



REPORT ON THE SOCIETY'S PROGRESS

Stephen



*July sales estimated based on 1st 3 weeks sales







ACCOUNTS

John

Audit Report – Report to Management (1)

“The company has made a loss of £70k over the financial year. It has managed to pay its financial obligations during this period only through raising additional loans. There are also loan repayments due in November 2020. The committee has recognized the issues in 2018 and has acted to change various aspects of the business. This certainly seems to have had a huge impact and post year-end, the company is, at the least, break-even...”

Audit Report – Report to Management (2)

“...The committee is also aware of the financial obligations that the company needs to meet over the next twelve months and is taking steps to secure those funds. At the date that we must sign our audit report, those funds have not been secured. We therefore have no option other than to ensure the relevant disclosures are made in the financial statements and that our audit report must refer to those disclosures. In all other aspects, we believe the financial statements to be free from material error. “

Management Committee Report – updates following Audit

We will be launching another share issue to try to reduce overheads and increase working capital. The committee also hopes to be able to replace the existing short term borrowings with a longer term mortgage during the 2020/21 financial year to reduce debt servicing costs.

Audit - Changes to the Draft Accounts

1. Going concern wording added to:
 - I. Management Committee's Report
 - II. Auditors Report
2. Presentation of the CO-OP Bank Loan
 - I. Balance Sheet
 - II. Notes 9 & 10 - Creditors
 - III. Note 11 - Loans

Going Concern (1)

The company has £50,000 of loan capital. Of this capital, £41,500 falls due for repayment by 30 November 2020 with the remaining £8,500 falling due by 30 September 2021. The company has failed to generate surplus cash over the trading period to date and is therefore seeking other options to raise funds to meet its obligations as they fall due. The directors are seeking to raise additional working capital through a new share issue.

Going Concern (2)

The directors are also in discussions with their bankers to raise funds via a mortgage of the Freehold Property owned by the company, known as The Cross Keys. The directors are confident that these fundraising events will secure the additional cash needed to enable the company to meet its obligations as they fall due and will enable the company to continue as a going concern.

Summary of loans

Borrowings					
Lender	Rate	31/01/18	31/01/19	31/01/20	30/11/20
	%	£	£	£	£
CO-OP Bank	8%	49,214	43,742	43,262	38,244
Loan Notes	4%	41,500	50,000	50,000	8,500
Other Loans	5%	-	17,500	17,500	17,500
Total Loans		90,714	111,242	110,762	64,244
Cash required for Repayments Due					46,518

BUSINESS PLAN FEB 2019 - JAN 2020



		Feb-Apr*	May-Jul*	Aug-Oct	Nov-Jan	Full Year
SALES (exc. VAT)	Drinks	38,465	32,955	39,583	38,750	149,754
	Food	23,667	14,153	26,250	26,250	90,320
	Total	62,132	47,108	65,833	65,000	240,074
EXPENDITURE	COST OF SALES					
	Drinks	13,559	14,077	14,646	14,646	56,928
	Food	12,114	7,647	10,133	9,713	39,606
	Wages & Salaries inc NI	21,561	18,379	24,500	24,500	88,940
	EXPENSES					
	Expenses excluding wages & depreciation	8,927	8,355	9,914	8,880	36,076
	Operating Profit/(Loss)	5,971	(1,350)	6,641	7,262	18,524
	Financing costs	(1,813)	(1,619)	(1,575)	(1,575)	(6,582)
	Net Operating Profit/(Loss)	4,158	(2,969)	5,066	5,687	11,942
	Closing balance	(107,084)	(110,053)	(104,987)	(99,300)	

Prepared on cash flow basis, all figures excl. VAT

*Feb - June figures actual

BUSINESS PLAN HALF YEAR 2020/21



		Feb-Apr	May-Jul	Aug-Oct	Nov-Jan	Total
SALES (exc. VAT)	Drinks	37,471	38,498			75,968
	Food	27,134	27,878			55,012
	Total	64,605	66,375			130,980
EXPENDITURE	COST OF SALES	Drinks	13,864	14,244		28,108
		Food	10,880	11,155		22,034
	EXPENSES	Wages & Salaries inc NI	25,500	25,500		51,000
		Expenses excluding wages & depreciation	8,956	9,156		18,112
		Operating Profit/(Loss)	5,405	6,320		11,725
		Financing costs	(1,515)	(1,335)		(2,850)
		Net Operating Profit/(Loss)	3,890	4,985		8,875
		Closing balance	(95,410)	(90,425)		

Prepared on a cash flow basis, all figures excl. VAT



VOTING: AGENDA ITEM 6

To approve the Chairman's Report
and the Accounts for the period
ending 31st January 2019.



THE FUTURE

Stephen and John

Future plans and outlook

- Performance in March and April was good and in line with the business plan. If we can return to and then build on this we will have a profitable pub.
- Stability and consistency are key to success. We will work positively with staff and volunteers to achieve this. We intend to appoint a bar manager to lead the team within the next month.
- The committee will continue to monitor staff costs, stock control and wastage, and reduce other costs where possible.
- Events, both community-based and profit-making, will continue to be a priority.
- Dealing with the level of short term debt – now £111,000 - is a significant challenge which threatens the future of the pub. The committee is exploring ways to address this.



VOTING: AGENDA ITEM 8

- i. Approval to tender for an accounting inspection by suitably qualified accountants instead of an audit.
- ii. Approval for the committee to negotiate to replace existing loans with a mortgage.



ANY OTHER BUSINESS



RESULTS OF THE ELECTION OF THE NEW MANAGEMENT COMMITTEE



THANK YOU