



Chairman's Report

Year ended – 28 February 2023

Management Summary

I am delighted to present the sixth annual report for the Society; a very successful year with the Covid pandemic behind us. As with last year, we managed to make a profit and pay interest on shares. As normal, I will only cover the period to our year end.

Within the year our tenant Jack McEntee of The Happy Wolf Pub Company Ltd completed his second year of operation and, through his enthusiasm and commitment together with that of his team, he has established The Yew Tree on the map.

Our finances remain healthy, and we have once again met our financial obligations, paid interest on shares and made inroads to meeting requests for share repayments. However, we will require new capital funding from share sales, grants, and loans to meet our aspirations.

Our member numbers continue to increase, and we now have 139 Members. However, we will be seeking new members and further investments from existing shareholders.

Looking forward, subject to planning approval and being able to raise funds, we hope to complete the improvements to the toilets while providing disabled access and to plan further projects and improvements.

We aim to continue to pay interest on shareholdings, make share repayments as we are able and set aside funds for development.

Based on advice from our accountants, we have revalued the Yew Tree land and buildings to reflect the market value, and this has resulted in an unrealised gain of over £213,000 in our accounts, which raises the value of the property to £574,000.

Detailed Report

The Yew Tree was able to operate throughout the year, for the first time under Jack McEntee and the Happy Wolf Pub Company Ltd, and in September we were delighted that they reached the milestone of their second anniversary of their tenancy.

We renegotiated the terms of the lease during the year but retained the same model where we charge a rent and share risk by taking a small share of the takings.



Jack continued to build his team, but, like many businesses in the hospitality industry, he suffered from staff shortages and recruitment problems. The overall aim remains to be to offer food seven days a week at both lunchtimes and evenings, but this is dependent upon the recruitment and retention of staff. Despite this, the team continued to grow the business and bookings were essential for the restaurant particularly for Sunday lunches. The garden and The Shack continued to attract repeat and regular business adding to the reputation of The Yew Tree as a destination pub.

Sub- Committees

During the year we added a third sub-committee for Business Development, in addition to the existing ones for Finance and the Yew Tree Development

We established the **Business Development Group** following a request from a member, on behalf of a community group, to consider buying 32 acres of land south of Bitham Hall. As the Society had been established with governance to purchase The Yew Tree and keep it as a central hub in the community, we realised that we needed a different organisation structure and additional governance to be able to properly respond to the request. After many discussions, meetings and interactions over a period of months those most interested in the purchase decided to pursue options other than through the Benefit Society.

The experience that we gained through this project will stand us in good stead in the event that we wish to consider expanding the remit of the Society in the future. Until then the sub-committee has no reason to meet.

As a result of its financial reviews, the **Finance Group** proposed that various provisions should be made during the year, namely for members share interest and share repayments. The sub-committee recommended that interest should be paid on shareholdings for the full year. As with previous practice, members had their accounts credited with interest payments based on the value of shares invested, but only amounts in excess of £5 were paid out. Other balances remain in a separate member interest account and as any future interest accruals exceed £5, these will be paid. The value of interest paid and accrued was £6,166.

Depending upon financial performance recommended amounts to be repaid to shareholders were put forward for approval by the full Management Committee and approved repayments made. Share repayments totalling £2,500 were made in the year. However, the only repayments made were in response to specific requests and we made no progress in repaying other shareholders to achieve our target maximum shareholding of £5,000 per member.

On behalf of the Management Committee, the Finance Group approached The Plunkett Foundation for specialist advice on ways that we could refinance the Society to allow a quicker repayment of shareholdings and achieve a more stable financial footing. We continue to talk to



The Plunkett Foundation, but it is expected that, at least in the short term, progress will be slow as they are looking into funding implications and possible rule changes.

Our Key Fund Loan, payments were maintained and at the end of the year and at the current repayment rates the loan will be repaid in approx. 2 years' time. The balance outstanding stood at £21,481 at the end of the year.

The sub-committee is aware of the need to raise additional capital, initially by continuing to grow the number of shareholders, (we currently have 139), encouraging existing shareholders to buy more shares and seeking grants and loans. We will have a better idea of the amounts that need to be raised once we understand the costs of new projects and planned developments.

During the year the **Yew Tree Development Group** commissioned site and premises surveys to use as the basis for future development. The group had plans drawn up for improvements to the existing toilet provision, together with the addition of disabled facilities. A planning application was submitted and once it is approved, we will need to seek tenders for the work and raise additional capital finance to fund the development. Once this project is underway, the group will move on to consider the feasibility of the development of the outbuildings.

More than a Pub activities (Social Impact)

Under the terms of our funding, we have to be able to show our sponsors that the Yew Tree is “more than a pub.” We demonstrate this by hosting and supporting activities and events. We were delighted to see the return of the biggest event centred on The Yew Tree, the Soapbox Derby which was hugely successful in attracting hundreds of competitors and spectators to the village. Our regular activities including the Walking Group and its spin-off, The Strollers, as well as the Bridge Club, the Quiz and the book exchange continued as examples of our commitment to being more than a pub. I am especially grateful to the two members who established the Pop-up Markets as a regular event. However, during the year it became evident to the organisers that the market in its previous format was unsustainable and it looked like the Pop-up Markets would cease. I am pleased to report that at this point, another group of volunteers stepped forward to ensure that Pop-Up Markets continued. The financial model, including the fees charged to stallholders and the cost base were repositioned and a market was held immediately prior to Christmas. The profits from this event were donated to charity.

There was a new, but temporary, facility that was enabled by support from Warwickshire Rural Community Council and their funding partner Cadent Gas. In response to the economic crisis and rising fuel costs a Warm Hub initiative was encouraged and together with support from Jack and his team we were successful in obtaining grant aid that allowed us to offer a warm hub facility at the Yew Tree from December 2022 to 31 March 2023. A team of volunteers was organised to act as hosts and on weekdays when the kitchen was open at the pub, we offered free hot drinks, biscuits, soup and a roll to anyone who called in to use the facility. In



conjunction with the Walking Group, we invited members of the community to join us for a Christmas lunch and propose to repeat the lunch again.

These events and activities are organised by volunteers, but we are always looking for new ideas and more volunteers to take a lead. Anyone interested in starting a new group or activity should contact a member of the Management Committee in the first instance.

Financial status

The Accounts for the year ended 28 February 2023 will be presented for adoption later in the proceedings.

Our main focus has been to continue to reduce debt, reward members for their continued support and to provide for future interest payments and share repayments.

Despite our best efforts to spend on projects that would be tax efficient, we have a corporation tax liability once again. I assure you that the Management Committee will, in conjunction with the various sub-groups, be working even harder to create projects to invest in the Yew Tree while reducing future tax liabilities.

As recommended by the Accountants, for the first time this year, a new accounting policy for the Investment Property, comprising the Yew Tree Public House, has been adopted and fully reflected in the accounts. This results in a very material profit of £213,233 from the revaluation of the property from the original cost of £360,767 to a fair value of £574,000 at this year-end. Fair value is based on the current market value of the property and from year to year this can go up as well as down with a profit or loss recorded each year as this valuation changes. This profit has not been realised and is not attributable to Members of the Society, but rather to the local community as specified by the Localism Act 2011. For the foreseeable future the profit will be held in the reserves of the Society. Similarly, the local community interest in the investment property in the balance sheet is recognised by the same apportionment of that asset.

It is unlikely that these significant profits will be realised while the Society is in place. However, if the profit is realised, then it should be passed onto the local community, the conditions of which will have to be established and then met to enable this together with the creation of the appropriate corporate status. The implications of such a change will need to be discussed by the Finance Group and professional advice obtained. Subsequently, when a draft framework has been established the Plunkett Foundation will be approached for specialist advice and to get the approval of the Financial Conduct Authority for the proposed course of action.

Summary

Having chaired the Society for five full years since its creation, in delivering this report I am signalling my intent to stand down as Chairman; it is time for some new blood to take over. I



thank all of our Management Committee for their time and commitment during the last year. I also thank our volunteers without whom the “more than a pub” events wouldn’t happen. My final thanks go to Jack and his team whose hard work make all of this possible.

This community needs the Yew Tree as the hub of the community and your support to keep it there.

Darrell Muffitt

Chairman