

Avon Dassett Community Benefit Society Limited Finance Sub-Committee Terms of Reference



Update Schedule

<u>Version</u>	<u>Approval Date</u>	<u>Description / Reason for Revision</u>
Version 1	16 August 2021	Approved by the Management Committee
Version 2	11 October 2021	Approved by the Management Committee
Version 3	31 st May 2022	Approved by the Management Committee
Version 3	5 th July 2022	Approved by Members at the Annual General Meeting
Version 3	10 th July 2023	Approved by Members at the Annual General Meeting

Registered with The Financial Conduct Authority under the Co-operative and Communities Benefit Societies Act 2014 as a Benefit Society

Registration Number:7489

VAT Registration Number: 272 5990 71



LOTTERY FUNDED



1. Introduction

The Management Committee of Avon Dassett Community Benefit Society Limited (“the Society”) has approved the establishment of three Sub-Committees to consider the short, medium, and long-term future of the Society and it’s financial structure as it relates to:

- a. our principal asset, the Yew Tree, Avon Dassett
- b. any other asset purchase or business proposal that the Business Development Sub-Committee recommends prior to submission to the Management Committee or for Membership approval at a General Meeting.

2. Name

This Sub-Committee will be referred to as the Society Finance Committee (“SFC”).

3. Members

The SFC will comprise of not more than 5 members chosen for their interests and skills. A quorum of 3 must be drawn from members of the Society, but the group will have the ability to co-opt from outside the membership where specific skills or abilities are not available from the membership. It will nominate a Chair and a Secretary. It will have a formal agenda and minutes for its meetings and will report progress to the Management Committee at each of its regular meetings.

4. Goals

- a. Create a vision for the long-term financial future of the Society.
- b. Develop a development plan for the finances of the Society including identifying major milestones along the way (e.g., loan repayments). The plan must recognise that there may need to be options to tie in with recommendations from Society Yew Tree Development Group dealing with the wider vision for the Yew Tree and the Business Development Group reviewing any proposals submitted for consideration by members or local Community Societies or Associations.
- c. Determine an appropriate ownership model which balances shareholdings with loan and other sources of finance to mitigate against instability caused by requests for the repayment of shares by major shareholders.
- d. Determine a maximum shareholding and a policy for approval by the Management Committee and Members covering the method by which any reduction in the maximum value can be achieved.

Registered with The Financial Conduct Authority under the Co-operative and Communities Benefit Societies Act 2014 as a Benefit Society
Registration Number:7489
VAT Registration Number: 272 5990 71



LOTTERY FUNDED



- e. Determine a shareholder redemption policy for approval by the Management Committee and Members. This should consider all financial aspects including general business requirements e.g., property maintenance other members interest including payment of interest.
- f. Determine an interest payment policy for approval by the Management Committee and Members. This should consider all financial aspects including minimum payments interest payment periods and the payment date.
- g. To critically review from a Finance perspective any proposal forwarded by the Yew Tree Development Group or the Business Development Group for consideration by the Management Committee and ultimately by the Membership.

5. Deliverables

Deliverables should include:

- a. Approved Terms of Reference and membership
- b. Approved agendas and minutes
- c. Progress reports aligned to Management Committee meetings
- d. Plans for the Financial Vision for the Society for consideration by the Management Committee before, where appropriate, approval by Members
- e. Alignment with the Group dealing with the wider vision for the Yew Tree and the wider business development.
- f. Final plans and internal policies for approval. All policies should not conflict with the adopted rules of the Society. If the proposals bring conflict then advice must be sought from the relevant authority before the policy is offered for adoption.
- g. Recommendations as to whether or not the Sub-Committee should continue after the plans are approved and, if the sub-committee is to be dissolved, a mechanism for monitoring progress to implementation

6. Scope / Jurisdiction

The bounds of responsibility and authority of the Sub-Committee are broad and allow the members to appoint individual representatives to undertake approved investigations on behalf of the Society. Specifically, points to address include:

- a. Balance of funding including shares (including types e.g., Ordinary and Preference shares), loans (including loans from members, commercial loans, and loans from public bodies), and bonds.
- b. Possible sale of assets
- c. Alignment with the plans and objectives of the wider vision group for The Yew Tree. These must be aligned with the plans for the future of The Yew Tree and must be agreed with the tenant.

Registered with The Financial Conduct Authority under the Co-operative and Communities Benefit Societies Act 2014 as a Benefit Society
Registration Number:7489
VAT Registration Number: 272 5990 71

- d. Alignment with any recommendations submitted for consideration by the Business Development Committee. These must be aligned with the plans for the future of The Yew Tree and must be agreed with the tenant where appropriate.
- e. Costs and sources of funding
- f. Liaison with the tenant, by members or local Community Societies or Associations where appropriate.
- g. Financing options including alternative shareholding models, grants, loans, bonds, crowdsourcing, and other sources of funds
- h. The day-to-day operation of the pub business is outside the immediate remit of the sub-committee. All decisions will need ratification by the Management Committee before being implemented.

7. Guidance from the Management Committee

To guide the direction of the Sub-Committee an initial briefing will be provided on behalf of the Management Committee including suggestions on areas for investigations, data sources and key issues to be resolved.

8. Resources and Budget

Any requests for expenditure to support the activities of the group must be first approved by the Management Committee. It is recognised that expenditure may include equipment, materials, room hire, professional advice, data surveys etc.

9. Governance

The Management Committee must endorse or modify all decisions before they can be classed as “approved.” However, within the Sub-Committee decision making will be on the basis of a simple majority with the nominated Chair having the casting vote in the event of a hung decision. All members of the Sub-Committee who are also members of the Society, will have one vote.

10. Additional Notes

- a. Communications outside of meetings will be conducted by email and on-line meetings
- b. Any information and data produced will be maintained by a nominated secretary, in accordance with a process agreed with the Society’s Secretary.
- c. The sub-committee will conduct all its activities within the law and the Rules of the Society

Registered with The Financial Conduct Authority under the Co-operative and Communities Benefit Societies Act 2014 as a Benefit Society
Registration Number:7489
VAT Registration Number: 272 5990 71

- d. All discussions, documentation and relevant information must be treated as confidential and only released to the membership after formal approval by the Management Committee
- e. Non-Management Committee members will be required to adhere to the Code of Conduct adopted on 2 August 2021.

Registered with The Financial Conduct Authority under the Co-operative and Communities Benefit Societies Act 2014 as a Benefit Society
Registration Number:7489
VAT Registration Number: 272 5990 71



LOTTERY FUNDED

