



Lyvennet Community Pub Ltd

Registered Office
 9-10 Stoneworks Garth
 Crosby Ravensworth
 Cumbria
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An Industrial & Provident Society
 Register No. 31175 R

www.lyvennetcommunitypub.com

10th Lyvennet Community Pub Ltd 2021 Annual General Meeting

Annual Report

Usually the Annual Report by the Chair forms a key part of the Annual General Meeting (AGM). This year, once again, with the continued prevalence of Covid 19 the Directors took the decision that an open shareholder AGM could not be carried out in a Covid secure fashion. All normal business will therefore be carried out by electronic and postal means.

Directors

The current six Directors are:

David Graham	Chair	Cameron Smith	Treasurer
Christine (Kitty) Smith	Secretary	Douglas Henderson	
Stephen Holroyd		Keith Taylor	

Tenants

Our tenants Jon & Katie are now in their fifth year of tenancy and continue to be supported by a strong and loyal team.

Trip Advisor + Statistics

Feedback from customers continues to be exceptional again demonstrated via Trip Advisor reviews albeit as one would expect the number of reviews in the year are significantly down. For 2021, the majority, 37 (95%) were excellent, 1 very good with 1 out of the 39 reviews terrible.

	2017		2018		2019		2020		2021	
	%	No.	%	No.	%	No.	%	No.	%	No.
Excellent	87%	34	90%	117	89%	80	95%	59	95%	37
Very Good	12%	5	10%	13	10%	9	3%	2	3%	1
Average	0%	0	0%	0	1%	1	0%	0	0%	0
Poor	0%	0	0%	0	0%	0	2%	1	0%	0
Terrible	0%	0	0%	0	0%	0	0%	0	3%	1

Maintenance

Over the last year we have continued with our routine programme of maintenance; fire alarm system, electrical testing, and numerous small repairs and replacement parts. We have also replaced the 3 door stainless steel counter top fridge £1,092.

Butchers Arms – Contact arrangements

Shareholders are reminded of contact arrangements for the Butchers Arms pub

- Telephone 01931 715500
- Web page www.thebutcherscrosby.co.uk
- Facebook @the butcherscrosby
- Twitter @arms_butchers

Volunteers

Once again the Directors would like to thank the numerous volunteers who helped out during the year, erecting the new marquee to replace the first wind battered gazebo along with maintaining the pub and assisting our tenants.

Butchers Arms business and lockdown

This year has certainly been out of the ordinary with the restrictions brought about by Covid 19 and business closure on 20th March 2020. I doubt that any of us would have expected the extent of the lockdowns, relaxations then tighter restrictions and now finally open albeit table service.

As previously reported Directors have maintained regular dialogue with our tenants; Jon and Katie, providing support where required and ensuring the continued financial viability of their business. We continue to review the Butchers cash flow at the end of each month to ensure our tenants receive the required level of support from the LCP to ensure they can maintain a sustainable financial model throughout the current restrictions. Jon + Katie have accessed all Government support grants and furloughed staff where possible.

The support shown by shareholders in agreeing to last year's AGM Resolution to accept no interest payment for the 2020 year has ensured that no matter what transpired we had funds available to support the needs of our tenant and ensure the LCP and pub business was still viable.

Our tenants have worked hard during the year with amazing community support. The take away meals service was a resounding success and meant that we only had to provide one rent free month whilst for the remainder of the time we maintained the rent at 50%.

The most challenging period financially was the lead up to Christmas with partially eased restrictions requiring more staffing, cleaning and limited numbers.

The takeaway service success clearly reflects Jon and Jim's efforts in the kitchen turning out quality meals with a regularly changing menu, and also most importantly reflects the huge support from community, shareholders and customers.

We are now seeing a major upturn in monthly income and profitability and expect to be returning to full rent payments by July. Be assured LCP Directors will continue to have regular dialogue with our tenants; Jon and Katie, and provide support when and if required.

Finances – 12 months to end June 2021

The LCP bank account balance at the end June 2021 was £19,254.

The major financial movements in the year were as follows:

	To 30 June 2021	To 30 June 2020
Income		
• Rent -	£13,328 incl VAT	£23,717 incl VAT
Expenditure		
• Shareholder dividend	£0	£7284
• VAT	£1,120	£2,342
• Maintenance	£1,368	£1,979
• Capital expenditure -	£1,240	£4,684
• Accountants	£1,572	£1,536
• Premises licence	£180	£316
• Insurance	£1,176	£1,134
• Bank charges	£27	£425

The major changes relate to Covid impacts; rent reduction support to tenants, no interest payment to shareholders and the consequential bank charge savings and the reduced capital costs (in 2019/20 a glasswasher and oven, this year a large 3 door fridge)

Shareholding and Movement

At the end of June 2021 there were 338 shareholders holding 391 'live' share certificates with a total value of £306,525.

The 2016 AGM Share Proposal Document introduced the option for shareholders to take their interest payment as additional shareholding. The proposal also allowed the total shareholding to be flexible between £300k and £315k. With the total share value at over £310k in 2020 we have taken the opportunity over the last year to reduce the overall total by £4,000.

During the 12 month period there have been £16,500 of withdrawals and £12,500 of new investment.

This year saw a landmark with the withdrawal of our single largest shareholding paid to the Estate of the late Ted Relph. Ted was a huge supporter of the pub and community. He was the LCP's first investor with the honour of being shareholder 001 holding share certificate 001.

We still have a waiting list of potential shareholders but are always looking for further potential investors.

Annual Financial Accounts to 31st December 2020

The key points to note in the Accounts are that

- the Net Asset value has increased by £13,248 to £339,380
- The shareholding has increased by £7,000 to £317,860. This figure was inflated at the yearend as it included shares sold to cover a £10,000 planned withdrawal during the early part of 2020.
- Profits in the year were up from £15,272 in 2019/20 to £21,520

Interest Payment 2021

Our bank account balance is much healthier than we envisaged it would be a year ago. We had expected that we would be reducing the rent to zero for a significant part of last year with the possibility of negative rent.

Jon + Katie have worked really hard to minimise costs, maximise draw down of Government grant support, and with shareholder and community support for their carry out service maximise their income.

The agreement by shareholders to withhold an interest payment last year ensured we had the flexibility to support the business as required.

We are now coming out of Covid, or at least let's hope so, and Directors have agreed that a 3% interest payment can be recommended for payment 1 September 2021.

This will still leave reserves in the bank account for support should we see restrictions and another wave of Covid this winter.

Yanwath Gate

On 4 March 2021 our Secretary sent out an email to all shareholders informing them of Jon + Katie's potential plans to open a standalone restaurant; 'The Gate' at Yanwath.

This has now moved forward and opened on 23 June 2021.

Update from Jon + Katie

I would like to update you on the current running of The Butchers with the addition of The Yanwath Gate to our business but firstly I wish to thank you all for your continued support, we receive the best of support during 'normal' times but the pandemic has shown just how much you all think of your beautiful pub and I am so pleased, with your help, we have managed to get through what we hope is the worst! Thank you to each and every shareholder!

When I made the decision to take on The Gate, it was always going to be a standalone business with me overseeing it. I'm not sure how aware you are with the current staffing issues within the industry but some 190,000 chefs have left the trade along with a huge amount of front of house staff. This has meant that my time is required in the kitchen at The Gate short-term whilst I continue the search for a sous chef. The head chef, manager and all front of house staff are in place and working well.

Chef Jim continues full time at The Butchers alongside a part time chef two days a week and Katie filling in the remaining days. Katie has decided that she would also like a career change out of the industry and has secured a job as Teaching Assistant in a local school starting in September. I will shortly be looking for a manager to run day to day operations and front of house at The Butchers and am shortly interviewing a further full time Chef to work alongside Jim.

The addition of a Sous Chef at The Gate will free me up to return to The Butchers as originally planned.

The Butchers is busier than ever with us being fully booked for food service pretty much every evening and I cannot thank all our staff enough for just how hard they are all working at the moment, we are trying to give each full timer a small amount of holiday over the next month or so to make sure we are not burning anyone out.

Jon + Katie Metcalfe

As Directors we are supportive of Jon + Katie in their new ventures but will obviously be working closely with them to ensure the continued Butchers pub success and high service standards we have all come to enjoy.

The Next 12 months

The initial focus will be on LCP business as normal; maintenance as required along with an internal re-paint.

We will continue to provide support to our tenants where required as there is obviously still uncertainty over Covid relaxations and a 2021 winter infection return wave.

We have carried out a drone survey on the roof of the pub and there are a very small number of slipped slates to re-fix and some benching on the top of one chimney stack. Overall the roof still appears in very good condition.

We will also take a fresh look at the rear beer garden, revisit our original proposals, and look to progress some improvements to make the space more useable.

Finally can we thank everyone for their continued support for the Butchers Arms which is greatly appreciated by LCP Directors and Jon and Katie.