

# Longparish Community Pub Limited

## Registered Office

Broadacre House,  
Longparish,  
Andover,  
Hants,  
SP11 6QQ



## ***Report on the accounts for the year to 30 April 2022***

1. The accounts are available on our members' website, [ploughahead.co.uk](http://ploughahead.co.uk), and I hope you have had a chance to look at them

## **Where did we start?**

2. The year started on 1 May 2021 which is 3 months after we started our 99 year lease of The Plough.
3. For the benefit of new members and to remind others, I will begin with a brief recap of how we got to that point.
4. The Plough had been empty for some years after being bought from Enterprise Inns by a property developer. We worked successfully with the Parish Council to oppose a planning application and, after a public inquiry, the Planning Inspectorate ruled that The Plough was a closed pub and not a development site.
5. Supported by the Plunkett Foundation, we worked with the Parish Council to develop a plan for the community to buy The Plough. We raised £330,000 from our first share issue. We arranged a combined loan and grant from Plunkett of £100,000 and supporters gave us over £17,000. At the same time, the Parish Council arranged to borrow £300,000 from the Public Works Loans Board.
6. After protracted negotiations, the Parish Council bought The Plough for £500,000. The loan and a lease premium of £200,000 which we paid to them funded the purchase. They granted us a 99 year lease and the rent covers their loan repayments. We paid all the legal expenses, stamp duty, etc so the PC is not out of pocket.
7. The interest rate on the loan is fixed and so is our rent. Recent increases in interest rates don't affect us but they do show what a good decision it was to borrow when rates were at a historical low point.
8. By 30 April 2021, we had started work on repairing The Plough and the Covid lockdown had just started.
9. I pause to thank everyone: shareholders, supporters, the parish, borough and county councils, who enabled us to get to that stage.

## **The year to 30 April 2022**

10. So far as our finances are concerned, the year fell into three parts

11. First the period to mid-September when we worked long and hard, despite Covid, to repair The Plough and get our lovely pub ready to re-open to the public.
12. A huge amount of work was done, much of it by around 150 volunteers who gave their time, experience and expertise. Thank you all very much. The value of your work does not show in the accounts but it is reflected in the value of the pub.
13. During that period we spent pretty well all our funds on repairs and equipping the pub.
14. Then came the second part. When we re-opened, it was for wet sales only. There was still a lot to do to get the kitchen open and we didn't have the money to do it. So huge thanks to the members who lent us £60,000 interest free and to one who gave us £5,000 which enabled us to open the kitchen at the end of October and provided a financial buffer to cover trading losses we expected as the business built up.
15. Next the third part. The pub was looking great, sales were growing month by month but there was still a lot to do. The way we arranged seating near the pub proved to be a success but it reduced parking space. The car park was in poor condition and need to be bigger. The room we intended to be the ground floor, accessible community room was being used as the kitchen store and the electricity supply was inadequate - we needed a second three-phase supply. So the third part of the year, financially, was building up the trade, despite Covid restrictions and planning how to achieve these improvements.
16. We explored lots of funding sources. Some were not available. The funders were sympathetic to our project but not able to help because we are a community benefit society and not a registered charity or because we live in a wealthy area. So we planned for a new share issue whilst continuing with grant applications. I'm delighted to report that both were successful and I'll say a bit more when looking at the current year.
17. I'll turn now to some points of detail on the accounts to 30 April 2022.
  - 17.1. We changed the way in which our £50,000 grant from Plunkett is recognised. That led to a reduction of nearly £50,000 on other debtors (note 7 on page 10) and recognition of the same amount as other income on page 5.
  - 17.2. Rent of £9,450 on page 3 is the amount we pay to the Parish Council. It is fixed for 50 years and then drops to a peppercorn. We have also paid a rent deposit of £14,000 to the Parish Council which is included in 'Other debtors' on page 10.
  - 17.3. Sales and gross profit rates are monitored monthly. We keep suppliers, portion sizes and wastage under review and have regular stock takes. All that has enabled us to improve gross profit rates.
  - 17.4. During the year, the inadequacy of the electricity supply restricted our options. The new supply came into use after the period and has helped though the new higher charges haven't!

- 17.5. Insurance was high because of the all building work going on.
- 17.6. Repairs of £115,000 are the cost of materials and contractors.
- 17.7. We also spent over £70,000 on fixtures and fittings including kitchen equipment. We benefited from some donated equipment. Thank you to the donors and also to the fete, Vitacress and the Parish Council, all of which helped with grants towards the cost of the chairs in the River Room. Thanks also to various donors who helped with pictures and gave us the rights to the pub sign and the sign itself.
- 17.8. We also received a grant of £4,000 Covid business support which help us when trade was restricted after Christmas
- 17.9. Wages and salaries are a major expense. One of our objectives is to provide employment opportunities and it has been great to see young people from the local area taking on responsibilities and growing in confidence and experience. All tips are shared among all the staff including those in the kitchen.

### **Later events**

- 18. I will turn now to events after 30 April 2022.
- 19. We raised a bit over £100,000 from our recent share offer. Thank you to everyone who has subscribed. I have applied to HMRC for clearance to issue tax relief certificates under the SISR scheme and we will issue certificates as soon as possible.
- 20. I am pleased to report success with grant applications.
- 21. Test Valley Borough Council and Hampshire County Council have agreed to grant aid work to upgrade two ground floor store rooms. That work is nearly complete and will enable us to open the ground floor, accessible, community room.
- 22. We were also successful in applying for a grant from the Test and Loddon LEADER programme. This is the last of the European Union grants to help rural micro-businesses. It will contribute 40% of the cost of upgrading the electricity supply which was done back in May and improving the car park which is very nearly finished.
- 23. There's still quite a lot on the shopping list but I am looking forward to a period when we can concentrate on providing an excellent pub and community hub.

Jeremy Barber  
Treasurer