TFPG AGM 25th September 2023

Committee members in attendance: PCw, MHe, GDy, DWr, JLy, MRn, SWm, SWk.
60 shareholders present.

Introductions – JLy

- Welcomed shareholders to the 2nd TFPG Ltd AGM.
- Discussed the progress made by our 2nd tenant since their appointment.
- Summary – the pub is thriving but it is not without its challenges
- Members of the committee introduced themselves.

Formalities - DWr

- Introduced SWm to help with getting the building sorted out, ensuring we get good and accurate quotes and to make sure that work progresses efficiently.
- JLy proposed, DWr seconded SWm's appointment to the committee.
- Thanks to JHd and Nah who have left the committee.
- DWr announced that there is a gap for anyone who understands the process of applying for grants and opened to the floor to see if any shareholders are interested in joining the committee. No volunteers!

Update on the building - SWm

- Reviewed immediate issues with the building after appointment with the main issue being the leaking roof. In an ideal world the roof needs replacing entirety, but this could cost 30-40k. We have brought in a contractor to look at a set of intermediate repairs to get the roof watertight. Repairs should finish before winter.
- Gas and electricity reports have been completed with safety certificates issued.
- The cellar coolers have been fixed.
- The loose handrail at the back of the building will be fixed in the next couple of weeks.
- There are a number of other smaller problems but for now the focus is on those which are urgent. Clearly there is a balance to be had – essentials will be addressed first particularly where they relate to structure and safety.

Questions:

Who holds responsibility for cosmetic changes?
There is a certain amount of responsibility on the tenant – he has re-decorated for instance.

Is the building safe?
Yes, the pub is safe to open.

Did we put the roof work out to tender?
Yes – the committee decided on the supplier and did not feel the need to put this decision to the shareholders.

Financials – PCw

[Handed out P&L and balance sheet to attendees]

- Income & expenditure consists basically of rent as income plus some miscellaneous income (e.g. a small grant from Pendle Borough Council). Expenses are mainly related to building maintenance and loan repayments.

- We are creating a fund (depreciation of building and fixtures and fittings) to help us with the repairs that SWm has spoken about.

- We are operating with a small surplus. The objective at the moment is to keep the pub in good working order. Electricity & gas prices have doubled in two years. Costs are rising due to inflation, so it has not been easy for the tenant to balance prices vs. costs.

Questions:
Do we have a contingency fund?
We have enough to cover the roof but if something unexpected happens we currently don't have enough to cover it but we have access to alternative funding if necessary.

How is the B&B doing?
The pub and B&B are one business. It is now more popular than it was under the previous tenants. Having two chefs in place has helped so that the pub can serve breakfasts.

What's the occupancy in the B&B?
[Redacted - withheld from the public copy]

Has turnover increased since the new tenant took over?
[Redacted - withheld from the public copy]

- A comment was received from the floor that the new tenant is doing a very good job.

Where will we be in 5-10 years' time?

Impossible to make that forecast. It's a 170-year-old building so unexpected things happen. We didn't expect to pay dividends for 3 years and that still holds.

Is the only source of income rental from the tenant?
Yes, we are dependent on the quality of the tenant we appoint.

What are our options to increase revenue?
[Redacted - withheld from the public copy]

The accounts show £7200 on repairs – what was that for?
That was the kitchen roof. We still have the main roof to cover.

In terms of gaining revenue – are there any longer-term plans to e.g., increase the size of the kitchen which will drive revenue on food (e.g. corporate events)?
For what we need today, it's adequate. There is capacity for 75 covers currently which can be dealt with if they are staggered. This is a good point, and it has been considered but it's not something we want to move on right now.

- SWk brought up the Friendship Group – the Community Centre provides a 2-course meal every Thursday for 60 people. This didn't work well under the previous tenants but with two chefs, the tenant is able to provide catering for the event at cost. Given that we are dealing with people predominantly 80+ years old, it is worth noting that we have had no complaints for 6 months! Prices are renegotiated prices every 6 months though the tenant is currently providing these meals at less than £3 per head which has allowed the Friendship Group to keep prices at £5 per head for attendees.

Strategy - DWr

- DWr provided an update / commentary on the strategy that we put together in 2022.

- We've encountered lots of costs that we didn't expect – mainly the roof. In terms of the overall financial plan – upgrades to pub, dividends, we're behind where we wanted to be. We're still discovering legacy issues which we need to address.

- The economic climate is working against us. Across the UK, two pubs a week a closing and 386 pubs closed last year. Pubs are facing huge financial pressures which is one of the reasons we implemented a rent plan.

- We're optimistic for the future and we think we've got a great tenant – though we do understand that not all choices made by the committee will be universally popular.

- We are in the latter half of our loan repayment period which will give us around £1000 month more to invest when this has been fully repaid.

- There are glimmers of hope with the economic climate, so we have reasons to be optimistic. Not least due to the massively loyal customer base which gives us sustainability for the future.

Questions:

New shareholders – have there been any? New people are moving into the village.
One! We are always open to investment as there is plenty of headroom in the asset to take on additional investment.

A suggestion came from the floor for a flyer or poster to advertise the fact.

AOB / Questions

What is the profit differential between the current and previous tenants?
[Redacted - withheld from the public copy]

Comments from shareholders:

- The tenant works very hard, and he deserves our support. We like that he asks for feedback. The manager is a great addition too. It's an enjoyable experience to use the pub.

- It has been noted how much the tenant has supported the village since he moved in. He's so positive.

- Staff are now infinitely better than they were (even though they are the same staff).

Close.