

## Notes of Committee Meeting 23<sup>rd</sup> August 2021 at Ken Shaw's barn

Present			Apologies
Jane Edwards (Chair) (JEd) Andrew Burrow (Secretary)	Ken Shaw (Treasurer) Graham Lock David Stableforth (Guest) Gordon Clark (Guest)	Jim Ellis (JE) Kay Howles Flick Wheeler	Barrie Howarth Beverley Spicer
Item No	Action	By whom	
14/21	Minutes of 3 <sup>rd</sup> March approved		
15/21	<b>Consider action required on the Berkswell Society Mine Opposition Group investment.</b>		
	<b>Discussion items</b>		
	<ol style="list-style-type: none"> <li>1. DS explained the background to the investment it being the Society's share of the residue of a £150,000 fighting fund which had been raised to oppose a proposed colliery within Berkswell. The money had been given the Berkswell Society for use in defending or carrying out activities beneficial to the parish into the future.</li> <li>2. The sum recorded as having been originally invested was £7569 in General Accident preference shares (GA is now part of AVIVA)</li> <li>3. The Society had used the dividends (interest) on the preference shares to partially fund its activities whilst not using the capital</li> <li>4. As interest rates have fallen, the value of the shares had risen to about £10,500. GC explained that it is expected that the value would fall when interest rates increase. It is expected that interest rates would increase as the economy recovered but it was not possible to say when or by how much.</li> <li>5. The Committee noted the pros and cons document shown in the appendix.</li> <li>6. Walter Crips no longer wished to service our account because it was very small and they were set up to support very much larger clients and the costs exceeded the charges they made to the Society.</li> <li>7. GC said the preference shares were a high-risk investment in that the capital value fluctuated with interest rates. Hence, the capital growth since purchase but the risk of capital reduction as interest rates increased. However, the income was secure as long as AVIVA did not fail as a business.</li> <li>8. GC stated that if the shares were sold the capital growth would be secured. However, interest rates on deposits were very low meaning that the income would virtually cease and inflation would gradually erode the value.</li> <li>9. Note: GC is a retired Independent Financial Adviser with expertise but he <u>was not</u> advising the Society but venturing an opinion.</li> <li>10. It was noted that if the proceeds were put on deposit and £500 per year withdrawn (roughly the current dividends) then the deposit would finance Society activities for 20 years.</li> <li>11. Getting formal financial advice would be expensive, particularly relative to the sum invested.</li> <li>12. It was considered by all, that the likelihood of AVIVA going into administration was low.</li> </ol>		

	<b>Decision</b>	
	<ol style="list-style-type: none"> <li>1. It was agreed unanimously that the investment in General Accident preference shares would be maintained. This decision would be communicated to Walter Crips who would organise to transfer the "title" directly into the name of "The Berkswell Society" to be recorded on the share register by the AVIVA registrar.</li> <li>2. It was further agreed that in future the shares' value would be recorded in the Society accounts as - "Capital account" -and the purposes of that account would be as described in Appendix 1 of the Society's constitution. The wording of that appendix would see the wording "Principal Reserve" changed to "Capital Reserve" at the upcoming AGM</li> <li>3. It was agreed that JE and ASB would seek to find a way of automatically notifying committee members of the value of the shares</li> <li>4. In the interim the Treasurer would manually obtain the value and report it quarterly.</li> <li>5. The decision to retain the preference shares did not require the approval of a meeting of members of the Society (unlike if the proposal was to sell them). The Treasurer was asked to instruct Walter Crips of the decision. The change in administration (from having Walker Crips as an intermediary to direct share registration) would be reported to the upcoming AGM</li> </ol>	<p>JE/ASB</p> <p>KS</p> <p>KS</p>
16/21	<b>Grant applications</b>	
	<ul style="list-style-type: none"> <li>• The Society had received a grant of £550 from the parish council to fund its planter/planting programme</li> <li>• A grant application had been made to the Berkswell Charities for £750 to significantly fund 4 new planters</li> <li>• The committee was advised that an order for the 4 planters had been placed at a price of £830. The cost of wood has significantly increased pushing up the cost</li> </ul>	
17/21	<p><b>Berkswell Traffic calming project</b></p> <p>Now substantially complete. Marking of the bays in the spinney car park has yet to take place. The parish council had approved the expenditure of £2000 for this if there was not sufficient money left in the West Midland's mayor's grant. There was a dispute of costs between the contactor and Highways' Authority.</p> <p>It was reported by village residents that the calming measures worked very well when there was a normal traffic flow. It had less impact when there were light traffic flows and those still inclined to speed were not slowed by those obeying the calming measures.</p>	
18/21	<p><b>Balsall Common centre master plan project</b></p> <p>The consultation on the draft plans had finished with 439 responses received which were being analysed. The scheme received a good level of support although a significant minority had concerns about parking provision. A full statement on the proposals and status is shown on the dedicated website <a href="http://www.bccentre.co.uk">www.bccentre.co.uk</a></p> <p>Its was noted that a communication had been sent out to residents on the current status. This explained the context of the project within the Solihull</p>	<p>AB</p>

	Plan. It was suggested that it was always worth mentioning that that plan would provide about 2000 new homes whenever it is mentioned in relation to the centre improvement project.	
17/21	<p><b>AGM</b></p> <p>It was agreed that the ASGM would be held on 7<sup>th</sup> October at 7 pm. The parish council would be asked if they wished to hold a parish assembly at the same location in a sequential manner as per past practice.</p> <p>Suggested locations – Jordan Room or Methodist Hall where the windows/doors could be opened for virus prevention ventilation.</p>	AB
	<p><b>Date of next meeting</b></p> <p><b>Next meeting – to be called by the Secretary in due course.</b></p>	

Andrew Burrow  
Secretary  
25<sup>th</sup> August 2021

**Options for Berkswell Society preference shares investment - pros and cons**

1. The shares are fixed dividend at 7.75% of initial share issue price with a current yield is a circa 5% (because the value of the stock has risen)
2. Society rules allow us to spend the income on day-to-day expenditure but the capital must be retained to fight threats to the parish
3. The rules can only be changed by an AGM and those that raised the money would probably oppose that

<b>Retain shares through a share certificate</b>	<b>Sell the shares and put money in a deposit account</b>	<b>Sell shares and invest in a less risky investment</b>
<ul style="list-style-type: none"> <li>• The status quo option.</li> <li>• Preference share gets dividends up to a fixed level before other shareholders paid anything</li> <li>• Will be slightly more difficult to sell because we would need to find a broker</li> <li>• Saving on Walker Crips fees</li> <li>• Value of shares will drop as interest rates rise                             <ul style="list-style-type: none"> <li>○ We bought for £7569 and current value is circa £10,500</li> </ul> </li> <li>• If Aviva go bust we lose everything</li> <li>• In Aviva stop making a profit we get no income</li> <li>• 3 years ago (approx.) AVIVA threatened to buy out the stock at “par value”,</li> <li>• That threat proposal was cancelled but could it be revived by current or future managers/owners of Aviva?</li> <li>• Considered by IFAs to be a high risk to the capital option</li> </ul>	<ul style="list-style-type: none"> <li>• The increase in capital value gained so far will be secured</li> <li>• There will be little or no interest at present, investment value will be eroded by inflation</li> <li>• Society will lose 1/3<sup>rd</sup> of its income</li> <li>• Money instantly available, if required</li> <li>• Considered by IFAs to be a low risk to the capital option.</li> </ul>	<ul style="list-style-type: none"> <li>• It is unclear whether the Society can meet the money laundering regulations because of our unclear legal status</li> <li>• If we cannot find a broker we cannot invest and a broker will require clearance on money laundering status.</li> <li>• This might not be a deliverable option.</li> </ul>

## ACCOUNTS SCRUTINY REPORT

To the Committee of the Berkswell Society

For the year ended 31<sup>st</sup> December 2020

### Introduction

I have been instructed by the Committee to review the financial information for the Berkswell Society for the year ended 31<sup>st</sup> December 2020 which comprises a summary of the Income and Expenditure for the year and a summary of the Bank Accounts as at 31<sup>st</sup> December 2020.

### Committee responsibilities

The Summary of the Income and Expenditure and the Summary of the Bank Accounts is the responsibility of, and have been approved by, the Committee. The Committee are responsible for maintaining books and records to support the preparation of the Summary of Income and Expenditure and the Summary of the Bank Accounts.

### Review scrutiny performed

Closing balances on 31<sup>st</sup> December 2020 are confirmed as:

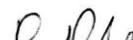
Cash Book	£ 2,135.20
Barclays Bank:	£ 2,135.20
Investment Account:	£ 10,074.00

I have conducted my review by making enquiries of the Committee and examining the financial information in the books and records (including bank statements) maintained by the Treasurer on behalf of the Committee. My review has been substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and, therefore, provides a lower level of assurance than an audit. Accordingly I do not express an audit opinion on the financial information.

### Review scrutiny conclusion

On the basis of my review I am not aware of any material modification that should be made to the financial information as presented for the year ended 31<sup>st</sup> December 2020.

Richard Drake





**Berkswell Society**

**Income and Expenditure Account**

**To 31 December 2020**

	<b>2019</b>	<b>2020</b>
<b>Income</b>		
Berkswell Charities Annual Grant	500.00	450.00
Berkswell Parish Council Annual Grant	500.00	500.00
Barclays Compensation Payment	50.00	0.00
Investment Dividend	574.88	574.88
Bank Interest	0.72	0.01
	<u>1,625.60</u>	<u>1,524.89</u>
<b>Expenditure</b>		
Parish Plants (625.36) and Planters (1,125.52)	686.16	1,750.88
Printing Berkswell Society Information Cards	0.00	0.00
Telephone box	0.00	140.70
Walker Crips Administration Fee	80.00	40.00
CPRE Membership	<u>36.00</u>	<u>36.00</u>
	802.16	1,967.58
<b>Excess of Expenditure/Income</b>	<b>823.44</b>	<b>-442.69</b>





Berkswell Society  
Balance Sheet  
As at 31 December 2020

	31 December 2019	31 December 2020
<b>Excess of Expenditure/Income</b>	823.44	-442
<b>Bank Accounts</b>		
Opening balance at 1 January	1,754.45	2,577
Carried forward at 31 December	2577.89	2,135
<b>Represented by:</b>	2,572.77	2,135
Community Account	5.12	0
Business Premium Account (closed October 2020)	2,577.89	2,135
Closing Bank balance	2,577.89	2,135
Closing Cash Book Balance		
<b>Investment Account</b>		
Opening balance	8,614.12	10,147
Dividends Paid	-574.88	-574
Walker Crps Administration Fee	-40.00	-40
Gain	2,147.76	541
Closing balance	10,147.00	10,074