



The Fox and Goose (Hebden Bridge) Limited

March 2017 Shareholder Member Consultation – Survey Results

Background

The shareholder members of the Fox and Goose (Hebden Bridge) Limited were asked to complete an anonymous survey which had the following foci:

- options regarding any interest payments to shareholder members;
- requests for share capital withdrawal; and
- priorities for the Fox and Goose during 2017/18.

The survey ended on 19th March 2017. From a total of 257 shareholder members, 143 responses were received, giving a good response rate of 56%.

Share capital withdrawal and interest payments

The Fox and Goose (Hebden Bridge) started trading on 22nd March 2014. Due to the fact that the Fox and Goose is registered under the Enterprise Investment Scheme (this allowed those eligible to gain up to 30% tax relief on the amount invested), shareholder members were unable to withdraw shares for three years from the start of trading. In addition, the business plan issued alongside the prospectus as part of the share offer indicated that share capital withdrawals and interest payments would not be considered until the third year of trading at the earliest.

Due to the fact that the three-year period was coming to an end on 22nd March 2017, shareholder members were consulted about their reasons for investing in the Fox and Goose, whether and when they might consider withdrawing their share capital and, if applicable, the reasons for considering withdrawing their share capital.

Priorities for 2017/18

In January 2016 staff and shareholder members were consulted on the ten-year management plan. The responses were shared at the April 2016 annual general meeting and the management plan was subsequently finalised. Since then, the Board of Directors (management committee) has been working with the Pub Manager to develop an action plan and priorities for 2017/18.

These priorities were shared in this survey in order to ensure that decisions made are directly informed by shareholder members' views.

The Fox and Goose (Hebden Bridge) Limited

Registered Society, Number 32021R

Registered Office: 7 Heptonstall Road, Hebden Bridge, West Yorkshire, HX7 6AZ





Analysis and Conclusions

Main reason for investing in the Fox and Goose.

The main reason the vast majority (85%) of respondents invested in the Fox and Goose was in order to keep it open as a community pub.

Eleven per cent of respondents wanted to invest in a co-operative/community pub (and of those, 56% lived more than ten miles away from Hebden Bridge), whilst only (2%) of respondents wanted to invest in a local enterprise/organisation.

The main reason for 2% of respondents investing was in order to gain interest and no respondents said that the main reason for investing was to benefit from the Enterprise Investment Scheme.

Conclusion

It is clear from these responses that keeping the Fox and Goose open as a community pub is the main reason for investment. The Board of Directors (Management Committee) conclude that this must remain the focus for decisions made about the Fox and Goose.

Interest payments

For 2% of respondents, the main reason for investing in the Fox and Goose was in order to gain interest, although this represents only three respondents. Unsurprisingly, all three respondents said that one of their four priorities for 2017/18 would be to pay interest. None of them would consider investing more funds in the Fox and Goose.

A more statistically significant data set is that of the 17 (12%) of respondents who said that one of their four priorities for 2017/18 should be to give shareholder members interest payments. This includes the three respondents above whose main reason for investing in the Fox and Goose was to gain interest on their investment.

Of these 17, two are considering withdrawing all or some of their share capital within the next three months, a further two in six to twelve months' time and one more in more than twelve months' time. However only one of the 17 said that they were withdrawing their share capital due to lack of interest payments, whilst twelve of these 17 were not considering withdrawing their share capital at all.

Conclusion

Whilst interest payments should be considered, this is not a high priority at the present time for the majority of shareholder members who responded, but should be kept under review. Your Board of Directors (Management Committee) therefore proposes that, in light of the current financial position and the intention to continue to invest in the fabric of the building, no interest be paid on capital investments for this financial year – see agenda for 22/4/17 annual general meeting.

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Share capital withdrawal

Thirteen per cent of respondents (18 in number) are considering withdrawing all or some of their share capital. Six of these within the next three months, one in three to six months' time, seven in six to twelve months' time and four in more than twelve months' time.

Of the 14 respondents wishing to withdraw all or some of their share capital between now and in twelve months' time, nine of them wished to withdraw all of their share capital and five of them wished to withdraw some of their share capital.

As at 22nd March 2017 your Board of Directors (Management Committee) had received five applications from shareholder members wishing to withdraw all of some of their share capital.

When asked whether they would consider investing more funds in the Fox and Goose, 63 respondents (44%) said "yes". In addition, numerous people who were not able to take part in the original share offer have informally expressed the wish to invest. As a result, the Board of Directors (Management Committee) is confident that the share capital withdrawn can be replaced easily from existing and new shareholder members.

Conclusions

Paragraph(s) 27 to 30 of the Fox and Goose's Rules outline the agreed process for the withdrawal of share capital. In light of the survey responses and requests to withdraw share capital, your Board of Directors (Management Committee) has paid back shareholder members, as per the Rules. In addition, your Board of Directors (Management Committee) proposes that in order to respond to churn, ie shareholder members' requests for share capital withdrawal, and also in order to satisfy the wishes of those people who have been unable to invest to date in their local pub, a share offer be published – see agenda for 22/4/17 annual general meeting.

Priorities for 2017/18

Respondents were asked to identify up to four priorities for 2017/18 from a list developed from the ten-year management plan. Respondents were also asked to add additional comments in support of their choices.

Respondents' top priorities, ranked in order of popularity, were:

1. Paint the outside of the building and window frames – 47% of respondents.
2. Range/quality of drinks on offer – 41% of respondents.
3. Make the darts room (up the step on the right, near the coat hooks) more welcoming and comfortable – 29% of respondents.
4. Customer service – 26% of respondents.
5. Financial profitability – 25% of respondents.
6. Feasibility study (and installation, if feasible) of photo-voltaic (solar) panels to generate electricity – 24% of respondents.

In addition to comments relating to the list of priorities within the questionnaire, a few comments were also received about dogs in the pub.

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Conclusions

For 2017/18 the Board of Directors (Management Committee) and the Pub Manager will focus on the top six priorities identified by respondents (listed above).

The Pub Manager will consult more widely in order to identify the reasons behind 41% of respondents saying that the range/quality of drinks on offer should be a high priority in 2017/18.

With regard to dogs in the pub, the Pub Manager took the decision to ask customers to keep their dogs on leads. This was due to the large number of complaints received from both dog owners and non-dog owners, together with advice from our insurers. The Board of Directors (Management Committee) support the Pub Manager in this decision.

Hannah Nadim
Chair
1st April 2017

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