



THE CROSS KEYS

A Community Owned Free House



Redgrave Community Society Ltd  
Annual Members' Meeting 14 November 2020

# Agenda

1. Welcome
2. Apologies
3. Approval of the Minutes of the AGM held on 27 July 2019
4. Accounts and Chairman's Report
5. Approval of the Accounts and Chairman's Report
6. Resolution:  
Approve an independent examination of the Society's 2020/2021 accounts by a registered auditor (instead of a full statutory audit), in exercise of the Society's power under the Co-operative and Community Benefit Societies Act 2014.
7. Questions & any other business
8. Results of the election to the Management Committee
9. Thanks and close

# **Approval of the Minutes of the AGM held on 27 July 2019**

Results of the members vote:

60 For

1 Against

4 Abstentions

**The minutes are approved as a true record of the meeting**

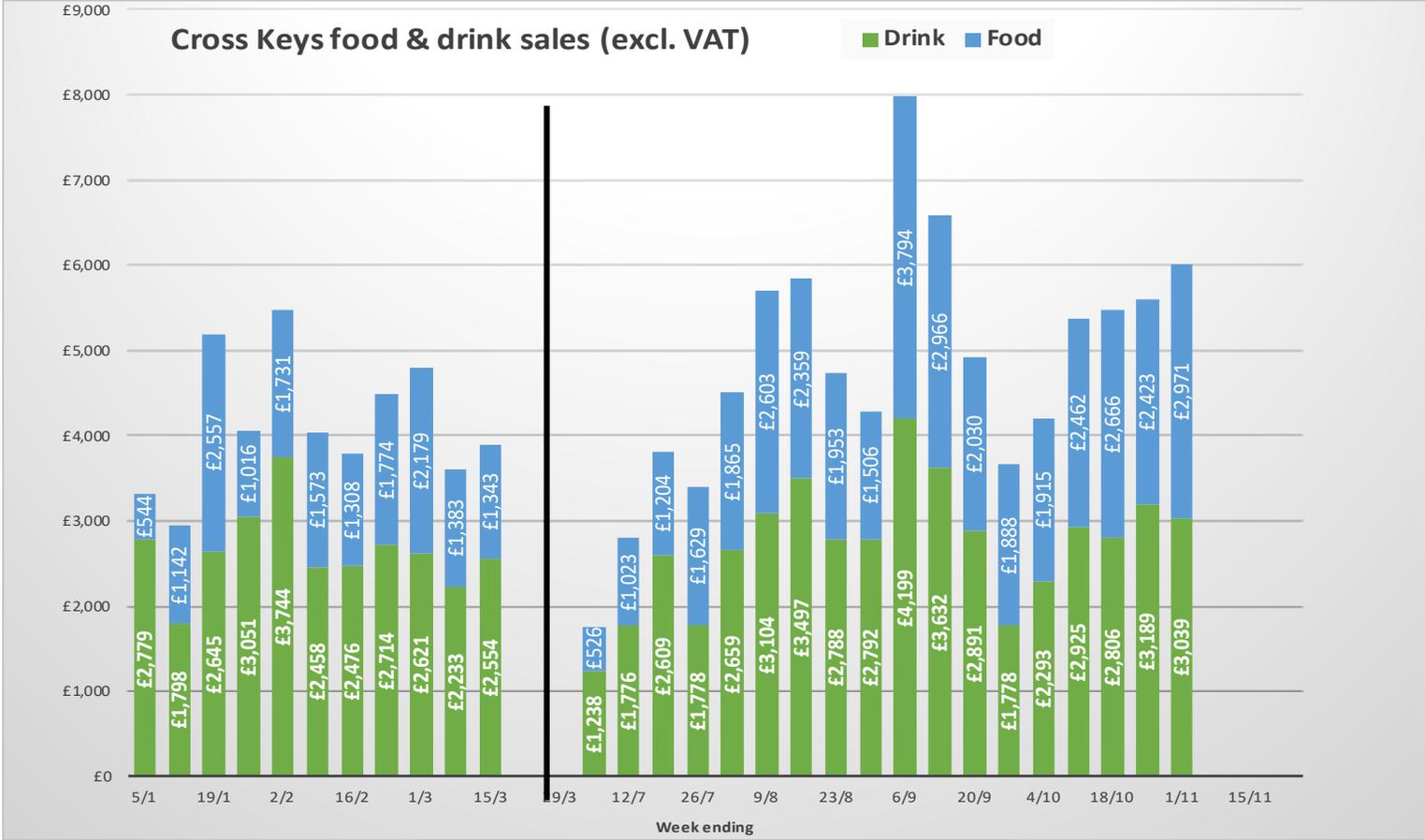
# Accounts for the period 1 February 2019 – 31 January 2020

- The audited accounts for 2019/20 were sent to all members on 25th September.
- Turnover net of VAT was £239,037, and although a small profit was expected the final result was a loss of £6,356. This was mainly due to lack of continuity on the restaurant side of the business, which is estimated to have worsened results by £15-£17,000.
- Heidi joined as bar & restaurant manager in August 2019, has been very popular with customers, staff and volunteers and has worked hard to build the business.
- Michael Kirkwood joined as chef in October 2019 and helped to improve food service resulting in very successful results in December.
- Staff costs, gross margins and expenses have been well managed and the business was expected to make a profit in 2020-21.

# Chairman's report - introduction

- Performance of the Cross Keys this year has been heavily affected by the Covid-19 pandemic.
- While closed, staff at the Cross Keys were furloughed and the administration of the business done by committee members and other volunteers.
- The combination of good summer weather, more outdoor space, a redesigned interior and increased customer confidence due to effective Covid-19 processes resulted in surprisingly good trading after reopening.
- Staff costs are however higher due to table service and Covid-19 restrictions.
- Graeme Woracker joined as head chef in September and has been very successful.
- Working capital (current account) is £15-£20,000, and we have £75,000 raised from grant funding and the Bounce Back loan held in a separate account.

# Financial performance – weekly sales 2020



# Plans for the future – business forecast

ACTUAL + FORECAST FEB 2020 - JAN 2021 						FORECAST FEB 2021 - JAN 2022 					
	Feb-Apr*	May-Jul*	Aug-Oct*	Nov-Jan	Total	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan	Total	
Sales	30,504	16,818	71,440	40,000	158,762	71,000	77,000	74,000	71,000	293,000	
Cost of Sales	12,716	8,667	29,000	20,000	70,383	26,980	29,260	28,120	26,980	111,340	
Wages	19,527	16,741	27,299	22,500	86,067	24,500	25,000	25,000	24,500	99,000	
Expenses	7,860	10,250	10,500	11,000	39,610	9,000	9,000	10,500	11,000	39,500	
<b>OPERATING PROFIT</b>	<b>(9,599)</b>	<b>(18,840)</b>	<b>4,641</b>	<b>(13,500)</b>	<b>(37,298)</b>	<b>10,520</b>	<b>13,740</b>	<b>10,380</b>	<b>8,520</b>	<b>43,160</b>	
JRS Grants	5,841	9,791	1,323	6,000	22,955						
<b>OPERATING INCOME</b>	<b>(3,758)</b>	<b>(9,049)</b>	<b>5,964</b>	<b>(7,500)</b>	<b>(14,343)</b>	<b>10,520</b>	<b>13,740</b>	<b>10,380</b>	<b>8,520</b>	<b>43,160</b>	
Financing Costs	(818)	(814)	(820)	(820)	(3,272)	(1,048)	(1,078)	(1,325)	(3,199)	(6,650)	
Other Grant Income	10,000	27,778		1,334	39,112						
<b>NET INCOME</b>	<b>5,424</b>	<b>17,915</b>	<b>5,144</b>	<b>(6,986)</b>	<b>21,497</b>	<b>9,472</b>	<b>12,662</b>	<b>9,055</b>	<b>5,321</b>	<b>36,510</b>	

All figures exc. VAT

\*Feb - Sept figures actual

Forecast assumptions:

- Reopening on December 2nd with restrictions ≤ Tier 1
- No further closures or other business interruptions
- Trading estimates based on August - October 2020

# Long term financing

- Outstanding capital of the Co-operative and Community Finance (CCF) loan is now £40,805.
- CCF have agreed to receive only interest on their loan for the time being.
- Personal loans (Loan Stock 2017) of £50,000 as well as short term personal loans totalling £17,500 have also been received.
- Most members who have made loans have agreed to continue lending for another three years. Some members have also chosen not to receive interest payments.
- When the current crisis is over CCF will be happy to discuss options for restructuring our existing loans.
- The new share offer remains open with the aim of increasing working capital and helping to fund any requests for share withdrawals.

# Membership

- During the year up to 31st January 2020, 24 new members bought shares. Since then we have received 4 more applications, and when all of these have been processed the Society will have 272 members.
- A total of 4,639 shares have been issued up to 19th October 2020 representing £231,950. A further 10 shares (£500) are currently being processed.
- We continue to promote membership and the sale of shares through posters and leaflets in the pub, the website and social media.

# **Approval of the Accounts and Chairman's Report**

Results of the members vote:

62 For

1 Against

2 Abstentions

**The Accounts and Chairman's Report are approved**

# Resolution

Approve an independent examination of the Society's 2020/2021 accounts by a registered auditor (instead of a full statutory audit), in exercise of the Society's power under the Co-operative and Community Benefit Societies Act 2014.

Results of the members vote:

48 For

14 Against

3 Abstentions

**The Resolution is not approved – a full audit will take place**

# **Questions from Members**

# Questions from Ian Brown: 1

Please can the committee update the membership on the discussions held with our bankers, or others, regarding the possibility of raising long term finance through a mortgage of the freehold of the Cross Keys. In particular has any potential lender:

- Indicated that they may be willing to lend without sight of audited accounts
- Indicated that they may be willing to lend to a business that has never recorded an annual profit

## **Questions from Ian Brown: 2**

Is the individual 5% loan(s) amounting to £17,500 taken out by the society in 2018 still on the books, in whole or in part? If so how much and is interest still being paid to the lender(s)?

## Questions from Ian Brown: 3

In the most recent Annual Report the committee stated that its preferred option was for the society to have an annual inspection of the accounts rather than a full audit "because it is considered to provide an equal level of assurance for members at a significantly lower cost" [Emphasis added} This is factually incorrect, an audit provides a significantly higher level of assurance than an inspection. Please can the committee explain to the membership the factual basis upon which it considered an inspection would provide an equal level of assurance. For the avoidance of doubt I am not asking why the committee felt an inspection was the better option for the Society but rather the basis upon which it believed it provided an equal level of assurance.

## **Questions from Ian Brown: 4**

Unfortunately in recent years a number of members who have successfully sought election to the committee have resigned within 6 months. What lessons, if any, has the committee learned from this?

## **Questions from Ian Brown: 5**

Please can the committee inform the membership the gross total borrowing currently held on the society's books. Please explain the plan to service and repay this borrowing through trading activity in the event that long term mortgage borrowing is not available?

# Questions from Ian Brown: 6

The society's rules (Rule 5.11) require the management committee to elect, from amongst themselves, a number of officers including a Treasurer. The annual report indicates that the Treasurer resigned in May 2020 and there is no record of who was elected to replace him.

- Who is the current Treasurer?
- Who is currently undertaking the book keeping and accounting functions for the society?

# **Question from Rainer McGill**

In the absence of a Treasurer who will be producing the statutory accounts for 20/21?

## **Any other business – members' feedback**

- Just to let everyone know how impressed we are with the effort and creativity that makes the Keys such a success.
- Congratulations to all involved with the running of our pub in these difficult times. We will use it as much as we can, well done all of you.
- Thank you for all the work you do to keep the Cross Keys running.
- I should like to say a special thank you to all the committee members and volunteers; through thick and thin the Keys has continued to serve the community and is an integral part of life in Redgrave. I am full of admiration for all that you have done.

# **Results of the election to the Management Committee**

**Jemma Shorten** is elected to the committee

**Stephen Eason** is re-elected

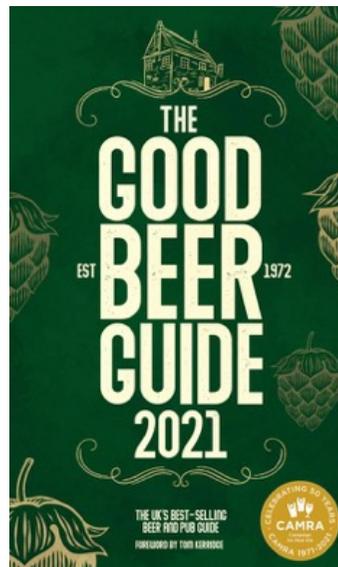
# 2020 Highlights



V8 Hotrods



Benches on the Knoll



Good Beer Guide

●●●●● Reviewed 23 July 2020 📱 via mobile  
Wonderful - just wonderful

●●●●● Reviewed 4 August 2020 📱 via mobile  
Great food and lovely staff.

●●●●● Reviewed 17 August 2020 📱 via mobile  
Great pub in a lovely village

●●●●● Reviewed 23 August 2020  
Great Beer, Food and Service

●●●●● Reviewed 2 September 2020  
Another excellent day at the Cross Keys!

TripAdvisor reviews



Pub walks



**Thank you for listening...  
and thank you to the staff, committee members,  
volunteers, Society members, customers and other  
supporters for helping to make the  
Cross Keys a success and an asset for the village.**

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