

Redgrave Community Society Limited

CHAIRMAN'S REPORT

This report covers performance of Redgrave Community Society in the financial year up to 31st January 2021, performance and operations in the current year and plans for the future.

Financial Performance 2020-21

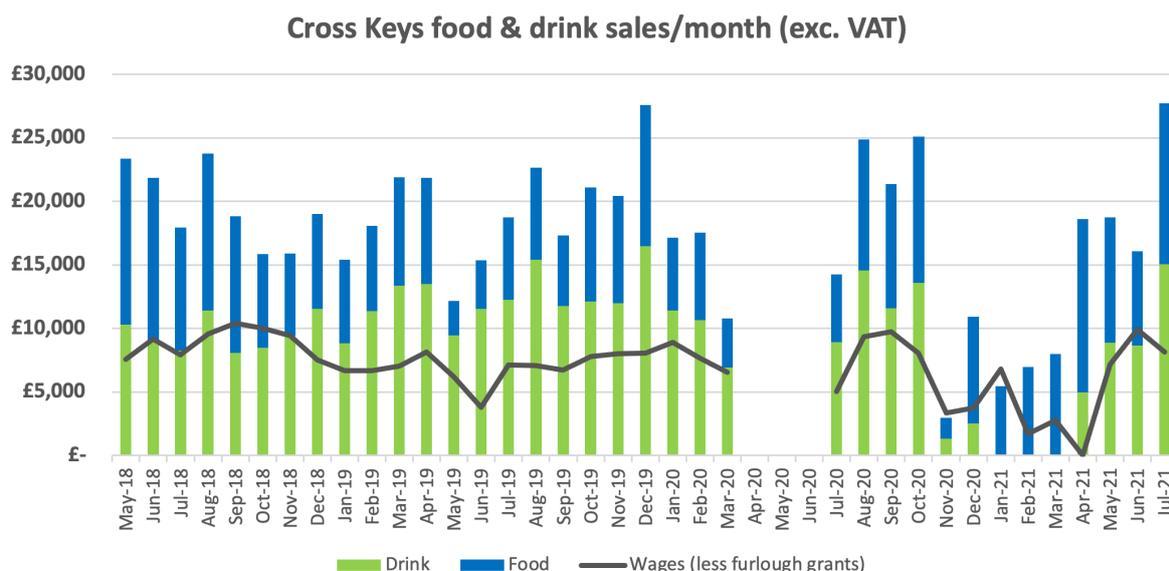
The audited accounts for 2020/21 are included with the AGM papers.

At the time of last year's AGM, held in November while the pub was closed, the view was that the pandemic should be in decline by spring 2021 and normal business would resume. Unfortunately this has not been the case, with the pub being under Tier 2 restrictions in December and closed other than for takeaways from January to 2nd April 2021.

Together with other earlier lockdown closures this meant that the Cross Keys was closed for 5 out of the 12 months of the financial year. The impact on sales was approximately in proportion to the time closed, with turnover of £239,037 in 2019/20 reduced to £137,169 in 2020/21.

Government grants and the job retention scheme provided vital funding. In addition the committee successfully applied for discretionary grants totalling £26,578 from organisations that support community businesses. Although turnover was significantly reduced, the trading profit after tax for the financial year ending 31st January 2021 was £27,476. Although this is a good result the profit will need to be kept in reserve to see us through what we hope is the tail-end of the pandemic.

The chart below shows monthly food & drink sales and wages costs from the opening of the Cross Keys as a community pub in March 2018 to July 2021.



This shows that trading in August, September and October 2020 was good despite reduced opening times, but in other months income was very severely affected by closure or service restrictions.

Performance 2021

Performance of the Cross Keys this year has continued to be impacted. The takeaway meals provided in January to March were however an outstanding success, with typically over a hundred meals sold on Fridays and 60-80 lunches sold on Sundays. This service, run by Heidi and Graeme, helped to provide some income but more importantly did a great deal to build the pub's reputation.

Once the pub reopened in April with outside service only business picked up well, particularly with food sales. The pub opened inside on 17th May, but unfortunately from 29th May the pub was closed for 10 days due to staff self-isolating following a positive test result from one member of staff. This affected income in June as there is no government or local council support available for this type of closure.

With the lifting of restrictions in July business has returned to normal levels. July was actually the best trading month the pub has had since reopening in 2018, with sales slightly higher than the previous best month in December 2019, and we hope this trend continues through the summer.

This year has in some ways been more challenging than last year as recruiting and retaining staff is currently a big issue for the hospitality industry. Heidi is the only staff member who has stayed throughout the pandemic and we are enormously grateful for her dedication to the business. Graeme, who joined the team last September, is the best chef we've employed and has done a great deal to build the volume and reputation of the food side of the business. Although he was planning to leave to find a job with more family-friendly hours he has withdrawn his notice now that we have recruited an assistant chef who will be able to cover for him on alternate weekends.

Front of house staff and volunteers are proving the hardest to find. We now have only four volunteers working in the bar and restaurant and are very appreciative of their help. This compares to around 15 volunteers 2 years ago. 'Volunteer fatigue' and the impact of the pandemic are understandable factors, but if you would like to become a volunteer, or know someone who might be interested, please let us know.

Plans for the future

Feedback from customers and social media sites such as Facebook, TripAdvisor and Google has been excellent over the past year. Provided we retain our key staff we are confident that this will continue.

A long-term aim has been to recruit an assistant chef and assistant bar manager to make the business more resilient and enable us to cope with holidays or sickness without the need to reduce service. We now have these in place and if we are also able to recruit additional support staff we believe we will be well placed for the future.

The pub is now open 7 days a week with food served Tuesday to Sunday. We also have a number of events planned through the year. The resulting increase in business will cover the increased staff costs and produce a more consistent income.

A 'Back to Business' grant of £6,100 has successfully been applied for from Mid Suffolk Council which will be used to create a paved area in the pub garden with improved seating.

Long term financing

Last year the Society took out a £50,000 Government backed 'Bounce Back' loan as a contingency measure. Because we received significant grant funding the loan was not actually needed to support the business so the committee has decided to use this sum to repay the Co-operative and Community Finance (CCF) loan that was taken out as part of the initial fund-raising. The reason for this is that the interest rate for the Bounce Back loan is 2.5% compared with 8% for the CCF loan and there is no charge on the property. The term can be extended from 6 to 10 years if necessary and payment holidays are possible.

The majority of individual loans are still in place but have been extended. They will need repaying in two years' time and we now also have a small number of share withdrawal requests. In addition, it is nearly four years since the pub was acquired and renovation and maintenance costs are increasing. To help address these commitments the pub will not only need to make a trading profit but also attract further share purchases.

Membership and share sales

During the year up to 31st January 2021, 3 new members bought shares. Since then we have received 5 more applications, and when all of these have been processed the Society will have 277 members.

A total of 4,643 shares have been issued up to 31st July 2021 representing £232,150

We continue to promote membership and the sale of shares through posters and leaflets in the pub, the website and social media. If you have a friend or neighbour who is not a member please talk to them about the benefits of investing in the Cross Keys.

Share withdrawal policy

A Share Withdrawal Policy has been drawn up by the committee with input from Plunkett advisers and other community pubs. The policy will be available on the members' section of the website and on request from the secretary

Management Committee

Membership of the management committee is currently as follows:

Chairman	Stephen Eason
Vice Chairman	Neil Smith
Secretary	Julie Moore
Treasurer	Charles Murray
Members	Donna Taylor, Jemma Shorten, James Ramm

Andrew Dickson and Carolyn Ward have resigned from the committee and we are very grateful for the significant contributions they have made. Jemma Shorten was voted on to the committee at the last AGM and Charles Murray and James Ramm have since been co-opted. All three have valuable experience of the hospitality industry and are proving very supportive and helpful.

Thank you for your help and understanding during the last 18 months. We sincerely hope that the Cross Keys can rely on your continued support.



Stephen Eason
Chairman

On behalf of the Management Committee of Redgrave Community Society Limited