

Redgrave Community Society Limited



“working for the community”

CHAIRMANS REPORT

This report covers performance of the Redgrave Community Society in the financial year up to 31st January 2022, performance and operations in the current year and plans for the future.

Financial Performance 2020-21

The audited accounts for 2021-22 are included with the AGM papers.

The year has once again been one of highs and lows, once again finding and then retaining good staff has been challenging and also addressing the balance of having sufficient staff to provide a good service and to avoid individuals working excessive hours while generating enough business to cover the cost.

The pub was closed under tier 2 restrictions from January to 2nd April 2021, but the very successful takeaway meal service provided on Friday evenings (over 100 meals per evening) and Sunday lunchtime (60-80 meals) provided significant income during this period and greatly enhanced the pubs reputation not only in Redgrave but in surrounding villages. It is frustrating that this level of business has never been replicated since the pub re-opened.

Once the shackles of the pandemic had been thrown off last summer takings went up encouragingly with average sales in excess of £28,000 per month from July to October. The highlight of this was the August Bank Holiday V8 Hot Rods car show where our daily takings record was broken with over £6000 taken in a single day. This just shows that if one of the members takes the time to organise an event then the Cross Keys can be a fantastic venue, particularly in the Summer.

After now being open for over two years the number of volunteer staff had dwindled to just a small number and the pub was primarily operated with paid staff.

After an encouraging Summer the Autumn and run up to Christmas were heavily influenced by Covid again and the average takings for November to January were just £19,800.

In June 2021 the 8% loan to Co-Operative and Community Finance was paid off using the 2.5% Government backed “Bounce Back Loan” that we had taken out as a contingency measure the previous year.



Registered Address: Lilac Cottage, The Street, Redgrave, Suffolk, IP22 1RY

Redgrave Community Society Limited is a Community Benefit Society registered by the Financial Conduct Authority (Register No. 7589)
VAT Registration Number 292 0024 34

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To reduce the amount of capital repaid each month we also extended the “bounce Back” loan term to 10 years.

During the year we received £17,041 from the Governments Job Retention Scheme and £10,596 in Government grants. In addition to this we received a Back to Business grant of £6,100 in order to enhance our rear garden area with a patio and additional seating.

The Management Committee has been focussed on trying not to deplete the cash reserves carefully accumulated during the pandemic, this has largely been achieved. The trading loss for 2021/2 was £1,262 based on a turnover of £236,150.

Performance 2022

As previously mentioned, the year started poorly in February and despite a strong June helped by the Jubilee celebration. Trading income has averaged £23,663 per month this year with average monthly staff costs running at £10,965 per month, this translates to net income for the year to the end of June 2022 of -£3,529.

July sales have fallen by a further 30%, after consultation with other publicans we have concluded that this is a result of high covid infection numbers and a lack of disposable income due to high inflation. However, losses will be mitigated by a huge volunteer effort put in by a small but loyal group of volunteers.

Heidi left her position of General Manager of the Cross Keys at the end of May after 2 years. Our thanks go to her for her contribution to the business during that time.

During the early part of the year, it became increasingly obvious that the business model that we were operating at the pub was financially unsustainable. Staff recruitment was a constant challenge, a number of assistant managers came and went as we tried to add staff to not only take the strain off Heidi but also to open 7 days per week. We were in a position where our staff costs were too high in relation to turnover and yet we were short staffed.

A number of different business models were considered and the tenancy model was promoted and approved at the May 23rd Special meeting.

Since then, Danny was appointed as Interim General Manager and Chef and moved into the flat in June. Danny had previously expressed an interest in the tenancy and so it was felt that offering him the opportunity to run the pub as Manager, gave him an insight into the role of tenant as well as giving us the opportunity to assess his ability to take on the tenancy. During this time, we have spoken to a number of other prospective tenants, several of which sounded promising initially but ultimately all declined to take the project any further.

Danny eventually decided due to the sharp decline in takings to withdraw his interest in the tenancy explaining that the financial risk for him was too great. Danny then handed in his notice and will leave his employment at the Cross Keys at the end of July, he intends to live locally and has offered to volunteer for the Bank Holiday Hot Rods BBQ.

It is our intention to run the pub on a drink only basis with food vans on a Friday/Saturday for the month of August.

The pub will then close after the August bank holiday Monday with what we hope will be a great day featuring over 100 Pre 1972 American Hot Rods, a BBQ, Beer Festival and live music from both Walkway and Backstreet in our oak shelter in the garden.

If the vote is agreed to sell the freehold then the Cross Keys should re-open after a brief re-furbishment in September 2022.

Current Membership

Our current membership position is that we have 277 members with 4698 shares totalling £234,900, if the membership votes to permit the sale of the pub it will enable us to refund all share capital and loans.

After 5 years I will be stepping away from the Management Committee at a suitable time later this summer, thank you to everyone for your support.

Neil Smith