

# Redgrave Community Society Limited

## **SALE OF THE FREEHOLD OF THE CROSS KEYS**

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. 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 approval to look for a tenant was gained at the special members' meeting on 23<sup>rd</sup> May 2022.

Since then, we have spoken to a number of prospective tenants, several of which sounded promising initially but ultimately all declined to take the project any further.

However, a prospective tenant declined the tenancy but expressed an interest in the freehold, we continued this dialogue and it has culminated in an offer **of £340,000** to purchase The Cross Keys freehold.

This is significantly more than we paid back in 2017 – and they are in a position to move quickly and would expect to be able to complete about 6 weeks after instruction - if the resolution to sell is passed.

The Management Committee has provisionally accepted this offer subject to a vote at the AGM.

The potential buyers – Ben Davenport and Sam Darling - have a proven track record in the hospitality industry and are currently running a very successful tenancy – The Bull at Troston - and see the next step, as owning a freehold.

They propose to use the same successful business model they're currently using to continue running the Cross Keys as a pub offering both food and drink.

The offer will enable us to repay all loans and debts as well as refunding all share capital. We now have over £50,000 worth of share withdrawal requests which we will be unable to repay with current trading conditions and any new share purchases.

### **Vote Yes to sell the freehold**

- We hope (subject to volunteer availability) to open the pub for drinks only in August with the occasional BBQ and food van
- The pub will close after the August bank holiday Monday V8 Hot Rods Car Show, BBQ, live music and beer festival.
- The pub should then re-open with the new owners later in September (depending upon the time taken for any refurbishment that they may plan)

### **Vote No to sell the freehold**

- Hiring a new Manager and Chef is not financially viable and we cannot find anyone prepared to take on the tenancy.
- Our small group of volunteers will not be able to continue to carry the burden.
- The pub will close indefinitely in either August or September.