

# Redgrave Community Society Limited



*"working for the Community"*

## COMMUNITY SHARE OFFER

### An Open Share Offer - 1<sup>st</sup> December 2023

The objective of this share offer is to enable anyone who missed the initial share offer and those newly resident in the village to buy shares and become a part of Redgrave Community Society Limited, and have a voice in the future of our community enterprise.

The cost of the shares is £50 each.

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) [Redgrave community society – working for the Community](https://www.redgravecommunitysociety.co.uk)



**Redgrave Community Society Limited (RCSL)** was formed in 2017 as a vehicle to facilitate the purchase of the Cross Keys pub on behalf of the community. Faced with imminent closure, the pub would have been a huge loss to the village.

### **The story of Redgrave Community Society**

In 2015 The Cross Keys was the only pub left in Redgrave and was made an Asset of Community Value (ACV) after an application by the Parish Council.

In March 2017, the Parish Council was approached by the owners offering to sell the pub to the community and if they did not want to buy it, it would be closed. At a public meeting several residents agreed to form a steering group to look at the feasibility of the community purchasing the freehold of the Cross Keys.

On the 25<sup>th</sup> April 2017, the owners informed Mid Suffolk District Council of their intention to sell the pub which triggered a 6 month moratorium under the ACV to allow the community time to raise the funds needed to buy and run the pub.

A public consultation was undertaken by way of a questionnaire distributed to every household in the village and the results, were presented at a public meeting at which the steering group gained overwhelming support to form a legal entity to secure the purchase of the Cross Keys.

Lots of fundraising events followed and RCSL was formed in July 2017. A share offer was launched which raised £237,000 and we got access to a range of grants and loans that allowed us to buy and run the Cross Keys.

We got the keys to the Keys on 24<sup>th</sup> November 2017, a team of volunteers then set about the task of renovating a quite sound but rather tired looking pub.

The bar was opened for Christmas drinks on 23<sup>rd</sup> December, works continued until it finally re-opened on 3<sup>rd</sup> March 2018.

For the next 5 years, the pub was run using the managed business model, using a combination of paid managers, staff and volunteers.

In January 2023 Stephen Larder signed a 5-year contract to take on the tenancy of the Cross Keys and run it as his own business. Stephen now takes full financial responsibility for the management and operation of the Cross Keys in return for paying a monthly rent. RCSL is now just responsible for the building and structural maintenance.

## **History of The Cross Keys**

The Cross Keys was built around the turn of the sixteenth/seventeenth centuries and is grade II listed. It is situated in a very attractive position on the edge of the Knoll. It was built close to the position of the medieval Guild Hall which would have been the social centre of the village. Pub signs showing the Cross Keys represent the keys of St. Peter.

By the nineteenth century there were two more public houses on The Knoll, The Fox (changed to Fox and Hounds in 1855) and The Bunch of Grapes. Three more pubs were in existence in the twentieth century, The Half Moon, The Drum and the Greyhound, in various parts of the village. Redgrave churchwarden's accounts show that the bell ringers alternatively used The Cross Keys and The Fox for beer after bellringing on Christmas Day and Guy Fawkes Night in the nineteenth century.

Inn keepers of The Cross Keys can be found in directories from at least 1830 until 1933 and during this period there were a minimum of ten.

During the late 1960's the Cross Keys was closed by the brewery and put up for sale as a free house. It was eventually bought and refurbished by Bob Godfrey and re-opened in 1972. He sold it to Marion Wilby in 1974 who ran it for five years, the Cross Keys passed through several owners after this. George and Angie Estcourt ran it so successfully for nine years that two breweries tried to outbid each other to purchase it even though the publicans had not put it up for sale. Ridleys eventually won this battle and purchased the pub only for them to be taken over by Greene King who were the other interested party at the time.

Greene King ran the pub via tenants until it was sold to the Ceresa family from Lowestoft in 2011.

### **Why should you buy shares?**

The new shares will be issued on the same terms as the other shares already issued. They cost £50 each and you can buy just 1 or up to 400.

Unlike in 2017 when the pub was facing closure the Cross Keys is now being successfully operated by Stephen and his team. It is a busy, vibrant village pub offering both food and drink, (what we all wanted it to become) so why should you buy shares ?

The original offer was time bound; people may have missed the opportunity and we would like to let people that have recently moved to Redgrave or anyone else that values the presence of a pub in Redgrave to come on board, buy some shares and be part of the society and have a voice in the direction of the society.

By buying shares you will:

- Become a part owner of your local pub.
- Help maintain the presence of a vibrant pub in the heart of Redgrave for years to come.
- Support the upkeep of the beautiful external features of the pub.
- Have your say on the future of the pub with a equal voting rights regardless of shareholding.
- Reduce the level of loans the Society has, allowing more to be invested in the pub and the community.

There are loans that will need to be paid off and whilst it is feasible to re-pay them over the next 5 to 10 years, it is difficult to generate sufficient income through the tenancy business model and share capital will accelerate this.

Several people have moved out of the village and have requested their share capital back, the regulation surrounding RCSL means this can only be facilitated by new share sales or profits generated through the pub.

- The society would also like to press forward with a number of projects to improve the pub including:
  - Extending and improving the kitchen to give a larger more practical service area in order to boost food service efficiency as well as capacity.
  - Closing the road in front of the pub and improving the road layout around the Knoll to improve pedestrian access to the Knoll from the pub as well as increasing off road parking capacity for the pub without compromising neighbours parking or access.

All these, as well as other improvements will not only increase the financial value of the pub but also improve the service that it is able to offer and the experience for those using it.

## Frequently Asked Questions

If you are considering buying shares, it is important that you read the whole of this Community Share Offer. By investing in this community owned venture, you have an opportunity to safeguard and strengthen the pubs future.

The Rules of a community benefit society are quite different to a normal limited company, and you should seek professional advice if you are unsure about any aspect. For the Rules, see the link below:

[redgrave-community-society-limited-rules.pdf \(wordpress.com\)](https://www.redgravecommunitysociety.co.uk/wp-content/uploads/2017/06/redgrave-community-society-limited-rules.pdf)

### What is Redgrave Community Society Limited

RCSL was established in 2017 as a **Community Benefit Society (CBS)**, similar to a co-operative society to provide the greatest degree of democracy to its Members as well as protection for the community enterprise.

The shares you buy are issued in this society, and it owns the Cross Keys.

The purpose of RSCL is '**to carry on business for the benefit of the community**'.

### What is a Community Share Offer?

All enterprises need capital to start, grow and be sustainable. This capital is usually provided by the shareholding owners of the enterprise, funding from lenders and, of course, from the profits of the business itself.

The important difference between a typical limited company's shares and Community Shares lies in the *priority of interests*. In an enterprise owned by Community Shares, the objective of the business is to benefit the community. The structure of a typical limited company is to benefit the shareholders.

Members of the Community are encouraged to buy shares in the enterprise and become part-owners. Members, are more likely to help the business be successful by becoming loyal volunteers, customers and supporters of the enterprise.

### How many shares can I buy

To give as many people as possible the opportunity to participate, there is no minimum number of shares which can be applied for and the maximum is 400.

## How many votes do I get

Each Member has one vote, regardless of the number of shares they hold.

The Members (shareholders) own the business and have a share in its future and a say in the running of the business – not on a day-to-day basis but they control the strategic direction of the Society such as election of the Management Committee etc.

## Can I cash in my shares ?

The shares are intended to be a community investment for the longer-term benefit of the community. Notwithstanding, you may apply to withdraw your capital after a minimum of three years.

All shares have a fixed value and can only be sold back to the society. Any profits the society makes will either be re-invested in the pub or used for other community projects or used to pay interest to the members. The decision will be up to the members.

Acceptance of the application to withdraw remains at the discretion of the Management Committee as described in the RCSL Share Withdrawal Policy document and will depend on the financial circumstances of the society at the time. 3 months' notice must be provided, and requests will be treated on a "first come first served" basis and may be suspended or stopped.

## Can I Sell my Shares ?

Shares cannot be sold or transferred to another person, although investors can nominate a person who will inherit the shares in the event of the Member's death or hand them back to the Society.

## The Shares

This Community Share Offer is being made by this Society which is registered by the **Financial Conduct Authority** under the **Co-operative and Community Benefit Societies Act 2014**. This legal form provides limited liability status, just like company law, but unlike companies, shares in this type of society are non-speculative and voting is truly democratic.

## Do the shares change in value or earn a dividend?

When profitable trading is well established, the Society aims to pay interest to Members. That interest can only be paid from profits and can be at a rate up to *"5% per annum, or*

*2% above the base rate of the Bank of England, whichever is greater*" (subject to income tax)<sup>1</sup>.

To give as many people as possible the opportunity to participate, there is no minimum number of shares which can be applied for but, due to the administrative costs, if interest becomes payable, it will only be paid on holdings of £250 or more.

As the aim of Redgrave Community Society Limited is to benefit the community, measures are in place to avoid the potential threat from speculators. These include the "one member, one vote" provision already mentioned and also the inclusion of a statutory "**Asset Lock**".

In the event of the Society being wound up and the value of the Society's assets exceeding the value of the share capital, Members will still have no more than their original investment returned. Any excess value would be transferred to another community organisation having similar community benefit aims.

This is known as an "Asset Lock". However, as the shares are issued by a corporate body, Members have no liability beyond the value of the shares they buy.

## **Eligibility**

You must be at least 18 years old.

## **The Risks to my capital**

In the event the business fails it may be placed into liquidation, in which case a liquidator would be appointed who would realise the assets and distribute them to creditors. Effectively this would mean selling the freehold of the Cross Keys (on the basis that the property would be the main asset at the relevant point) and the creditors would be paid from the proceeds. After payment to the creditors and the costs of the liquidator, the surplus would be returned to the Members, up to the amount they paid for their shares.

## **Warning:**

**Anyone buying community shares could lose some or all of the money they invest, without the protection of the government's Financial Compensation Scheme, and without recourse to the Financial Ombudsman Service.**

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<sup>1</sup> Payment of interest does depend on the profitability of the business and is not guaranteed.

## Is this a good business proposition?

For the year to 31<sup>st</sup> January 2023 the RCSL made a trading profit of £3,958. This was in spite of the pub being run as a drinks only establishment and almost exclusively by volunteers for half the year. The support of the volunteer base ensured the pub remained open through the year with many successful events and food evenings offered.

### Income and Expenditure Forecast Summary

	2023	2024	2025	2026	2027
<b>Income</b>	£28,238	£20,599	£20,404	£20,404	£20,404
<b>Expenditure</b>	£16,382	£7,029	£5,461	£5,356	£10,305
<b>Loan Repayments</b>	£5,904	£27,404	£19,404	£5,904	£5,904
<b>Share Repayments</b>	£6,300	£5,000	£5,000	£5,000	£2,000
<b>Outstanding Loans</b>	£95,596	£68,192	£48,788	£42,884	£36,980

When building up the business plan for the new tenancy model under, The Committee forecast all expected outgoings/expenditures over the 5 years of the Tenancy Agreement to set the rental income. This income will allow us to slowly pay off our debts as well as accumulating a contingency for structural repairs and maintenance.

A considerable amount of information is available on the society's website [www.redgravecommunitysociety.com](http://www.redgravecommunitysociety.com), including the history of the Cross Keys, the Rules of the Society, accounts and other useful documents.

*While the Society is not allowed to give "advice" about investment in the Society it can provide further information you may need.*

**Particular care is needed when investing in a business such as this and professional advice is strongly recommended if you have any doubts or concerns as to whether it is suitable for you.**



The current Management Committee consists of:

Neil Smith

Julie Moore

Charles Murray

James Ramm

Matt Smith

Andrew Lawrence

# APPLICATION FOR MEMBERSHIP OF REDGRAVE COMMUNITY SOCIETY LIMITED

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

e-mail: [secretary@redgravecommunitysociety.com](mailto:secretary@redgravecommunitysociety.com)

Please return this form with your payment to the registered address shown above

I wish to apply for membership of Redgrave Community Society Limited and would like to purchase ..... Shares at £50 each. (maximum 400 shares).

☐ I enclose my **internet banking payment confirmation** for £ .....  
(transfer to Redgrave Community Society Ltd account number: 63159779, Sort Code: 20-17-20, reference: *insert your name*).

☐ I attach my **cheque** payment for £ .....  
(made payable to **Redgrave Community Society Limited**)

☐ I would like to nominate someone to have my shares in event of my death  
( a form will be sent to you).

**OR**

☐ I would like to transfer my shares to RCSL in event of my death.

PLEASE COMPLETE THE DETAILS OVER LEAF.....

Data Protection

By requesting that I become an investing member of Redgrave Community Society Limited, I agree to my name, address phone number and email address and number of shares I wish to purchase being held on a computer database.

I understand this information will be used for the purpose of maintaining a register of members and potential members as required by the rules of the society, for posting of notices and news regarding activities of the society and will not be passed to any third party.

Signature: ..... Date .....

Name: .....

Address including postcode: .....

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Telephone number: .....

E-mail: .....

Please return this form with your payment to the registered address shown overleaf