

ANNUAL GENERAL MEETING 13th DECEMBER 2020 - TREASURERS REPORT

OVERVIEW

- The Annual Accounts presented to last year's AGM indicated the Branch is financially stable whilst the Social Club revenue had increased but net profit was a bit disappointing.
- For the first few months of this financial year Club revenues were trending upwards until Covid-19 brought us to a sudden halt in March.
- We invested heavily in making the Club a safe place to socialise and were allowed to open again mid-July. However, not being able to host events and entertainment, our revenues shrunk to a quarter of what it was and we embarked on a range of cost saving measures.
- We were able to secure Business Closure and Job Retention grants plus Business Restriction more recently.
- Unsurprisingly, membership renewals and Poppy Day collection takings are down.
- Unrestricted trading is unlikely until at least spring next year. Consequently, we are now making plans how we can fulfil our Charitable Purpose and stay engaged with Members and the wider community over the winter months.

BRANCH REPORT

Acting Treasurer Derrick Jeffrey (an Army veteran), provided the Treasurer's Report at last year's AGM. He advised that he would resign in March 2020 and another Army veteran Iain Maddox was recruited to replace him.

Membership was reported at last year's AGM as 165, which was less than the previous year. Derrick Jeffrey recommended the Branch Committee needed to encourage more memberships. However, membership has fallen to 155 this year. It is hardly surprising some members have not viewed membership renewal as being relevant whilst not able to socialise at the Dunbar Legion during the Covid crisis. However, this also reveals we have more work to do to demonstrate the value of supporting our charitable purpose. In response to Derrick Jeffrey's recommendation, the Committee has been discussing how we can demonstrate the benefits of membership and we have seen some encouraging signs of both renewals from lapsed members as well as new member applications.

OSCR (Office of the Scottish Charity Regulator) advised that it would be a breach of Charity Law if we used Branch funds to support our social club during the Covid crisis. RBLs (Royal British Legion Scotland) recommended we adopt new Club Model Rules and become incorporated as a Co-operative Society. Following detailed discussion, it was unanimously agreed by the Committee to recommend this to our members at an EGM. Taken together, these two measures require a clear distinction between the Branch as a charity and the Social Club as a business.

Royal Navy veteran Sharon Kaszuba has taken responsibility for distributing Poppy Day collection cans and reports takings are down due to less footfall in shops and restaurants. The generous people of Dunbar have nonetheless contributed £2,314.42.

RBLs have prepared our Branch Annual Accounts this year and we are very grateful for their support. Branch Annual Accounts are presented for review in three documents which are:

1. Receipts and Payments.
2. Trustees Annual Report.
3. Independent Examiners Report.

These reports will be submitted to OSCR and RBLs once they are adopted.

Recommendations:

- a. A Work Group should be set up to determine how to increase member renewals, recruitment and retention.
- b. An EGM should be scheduled for early 2021 to allow for members to consider the New Club Model.
- c. Due to financial restraints and despite the high level of commitment by Committee Executives, I recommend that no Honorarium payments are awarded at this time.

End of Branch Report.

SOCIAL CLUB REPORT

Derrick Jeffery reported last year that it had been another challenging year for the Social Club and highlighted some improvements as well as areas for concern. Turnover and profitability had increased over the previous year but net profitability was still below industry norms. To improve the club, new fundraising was required and costs controlled. He also recommended proactive maintenance of the building and a roof survey, that a new boiler was required and that LED lights are fitted.

To echo Derrick Jeffery, this year has also been a challenging year. Initially, revenue was trending upwards when the Covid crisis hit us in March and we were required to Lockdown.

With our office closed we moved online by setting up new email accounts and registering for online banking. Suppliers were contacted for repayment holidays. To prevent business failure, I secured a £25,000 Business Support Grant and Assistant Treasurer Kim Tolputt (RAF veteran) enrolled in the Coronavirus Job Retention Scheme so furloughed staff could continue to get paid.

To be allowed to re-open the bar mid-July, we had to produce a comprehensive Risk Assessment for approval by East Lothian Council, and invest heavily in social distancing measures, an enhanced cleaning regime and staff training. However, we were not allowed to host entertainment or events in the hall or allow customers to play pool, snooker, darts, dominoes, the jukebox or even have sound on the TV. Not surprisingly, our weekly income shrunk to only 25% of normal and we were making a loss. Consequently, we had no option but to cut opening hours and staff costs. Early October we were required to close again and the forecast is that we are unlikely to return to unrestricted trading until Spring 2021.

Additional to coping with the Covid crisis, we have followed up on the recommendations accepted at the previous AGM:

1. We commissioned a professional building survey to properly understand our problems and allow us make informed decisions how we may resolve them. I have recommended that a Committee Work Group will now be needed to consider the report, develop a costed project plan and manage the implementation work.
2. A new boiler was fitted which provides hot water when needed and at cheaper cost.
3. We are looking for a suitably qualified Energy Consultant who can conduct an energy survey and make recommendations how, additional to fitting LED lights, we may reduce our energy costs and environmental impact. Planned maintenance is always cheaper than having to do repair work. A well maintained building that is correctly valued, will also help reduce our insurance costs.
4. To understand our business and finances better, I created Monthly Management Accounts. Consequently, we have been able to make informed decisions resulting in better control of our costs. Post-Covid, our attention can focus on revenue generation and profitability.

Given that we are unlikely to return to operating without restrictions until at least Spring 2021, we urgently need to develop a new business and operating model to ensure the Club's business survival as well as enable the Branch to fulfil our charitable purpose over the Winter months. The challenge after Covid, will be business recovery.

Recommendations:

- i. A Committee Work Group should be set up to develop a 3-year Business Development Plan to help us survive the winter and then recover from the Covid crisis focusing on profitable business growth.
- ii. To be ready for proposing the new Club Model Rules to the membership:
 - a. The Branch will need to provide the Social Club with an Operating Lease.
 - b. The Branch should set up a Work Group to consider the Building Survey and manage the implementation of project work.
 - c. To draw a clear distinction between Branch and Social Club affairs, I recommend we change the club financial year end to end-March.
- iii. Due to financial restraints and despite the high level of commitment by Committee Executives, I recommend that no Honorarium payments are awarded at this time.

Ian J Brown have prepared our Social Club Annual Accounts and these can be viewed on our website – [read here](#)

End of Social Club Report.