

## **DBHCC AGM 2016 – Treasurer’s Report**

Between April 2011 and March 2015 DBHCC expenditure exceeded income by a total of £25,000. The consequence was that the CC started the 2015/16 financial year with £134 in uncommitted funds and a warning from the accounts examiner that unless expenditure was reduced or income increased, the ongoing financial viability of the CC was at severe risk and insolvency inevitable by March 2017. That risk still exists.

In the year to March 2016, the CC turned the trend of annual deficits around and achieved a surplus of £2715 in income over expenditure but this was only achieved by underspends of £2000 in FC Participatory Budget funding and £718 on the FC Administration Grant, both of which need to be carried forward to 2016/17 for the purposes for which the funding was provided by FC.

Had the grants originally agreed of £1000 to the Jubilee Committee and £2600 to the Twinning Association not been rescinded and scaled back respectively, the CC would have barely broken even in the past year and would now be very close indeed to insolvency.

The accounts for the past two years have also been distorted by inclusion of Jubilee figures which cumulatively resulted in a surplus for the Jubilee of £256.95. Removing Jubilee figures from the accounts increases the 2015 deficit to £8344 and the 2016 surplus to £3987.

The principal message from the accounts is that the CC has been burdened with a legacy of over-commitment to funding of unsustainable projects undertaken without any consideration of the realistic level of fundraising required to maintain these in the longer term.

In reality, between 2011 and 2015, CC generated income was one third of the level required for the CC to fund the town enhancements it undertook. Funds raised via Diary income only served to reduce the CC’s significant year on year overspend, sustained from historically accumulated funds that have now been exhausted.

In 2015/16 a net profit of £4193 was achieved from Diary advertising but only 9 out of the 10 issues printed were paid for within the period (April 15 prepaid in March). This reduces the genuine profit achieved to £2733, hence the need to use PB funding to meet the shortfall in funding the Christmas lights. Overall, town enhancements provided in 2015/16 cost the CC £4366 net of Floral grant received. That constitutes a 60% overspend on funds actually raised by the CC for provision of these enhancements.

To sustain historical spend on Christmas lights, floral enhancements and annual sponsorships (DBHS Show and Inverkeithing High School) in 2016/17, Diary advertising income would need to double and this would still not provide any additional revenue for any other discretionary or contingent expenditure, e.g. provision for asset replacement.

Reintroduction of the full printed Diary in September will only generate 6 months advertising revenue in the current financial year generating £1500 profit at best at current advertising rates. This will be wholly insufficient to fund 2016 Christmas lights.

Should the CC consider continuing to provide town enhancements and grant provision at historical levels, it will need to change its fundamental focus to become primarily a fundraising organisation.

Including provision for land maintenance and replacement of lights etc, the annual fundraising target would be in the region of £8,000 per annum, requiring considerable joint effort to achieve.

Based on reintroduction of the printed Diary from September, the replacement of Robbie's Path being a neutral cost to the CC and provision of 2016 Christmas lights, the following is a financial projection for 2016/17:

### **DBHCC Financial Projection 2016/17**

	Notes	£
<b><u>Income</u></b>		
FC Administration Grant		1672.80
FC Floral Grant		429.00
Diary		9000.00
Bank Interest		40.00
Miscellaneous		200.00
		<u>11341.80</u>
<b><u>Expenditure</u></b>		
CC Grants and Donations	1	700.00
Town Floral Enhancements		429.00
Diary		7800.00
Christmas Lights		4000.00
Land Costs	2	2000.00
Administrative Costs	3	3000.00
		<u>17929.00</u>
<b>Income Over Expenditure</b>		<u><u>-6587.20</u></u>

### **Statement of Funds**

Balance B/F at Start of Year		4381.61
Income over Expenditure		-6587.20
Funds at 31 May 17	4/5	<u><u>-2205.59</u></u>

Notes:

1. Comprises £300 to Jubilee Committee, £300 to DBHS and £100 to Inverkeithing High School.
2. Provision for cost of tree and safety surveys and emergent and contingent essential works.
3. Includes estimated £2000 cost for transfer of woodlands to CLT ownership.
4. CC insolvent. Community Councillors jointly liable for CC debt.
5. Dropping printed Diary reintroduction and Christmas lights would result in year-end bank balance of £144.

I conclude this report by warning that loss of FC PB funding has removed the financial safety net from the CC and that the consequent implications on the CC in terms of future prudent budgetary management cannot be overstated.

Willie Allan  
DBHCC Treasurer  
13 June 2016

**DBHCC Opening Bank Balances April 2011-2016**

