



**Treasurer's Financial Report to Annual Members Meeting
Antwerp Arms Association Ltd**

13 October 2021

Trading in the Last Financial Year

For the year ended 30 April 2021 we lost £42,441 as compared to a profit of £43,575 the previous year. This loss is set out in the final accounts for the AMM. The accounts have been checked by our auditors Niensens.

It was a terrible year for trading as the pub was closed for long periods and restrictions applied to the times that it was open. Like for like sales were less than 25% of the previous year as drinkers were reluctant to come out and our capacity was reduced. Added to which virtually no activity took place at the Spurs stadium. On top of this we had the extra costs of COVID compliance. Despite government grants and furlough support we lost money even in the months we were trading. Ironically our losses were less in the months we were fully closed.

We are not proposing to pay any dividend again this year but are open to applications for share withdrawal using the formula agreed at last year's AMM.

Trading Outlook for the Current Financial Year

The trading position for the year to date (since 1 May for year ending 30 April 2022) is satisfactory but sales haven't been as healthy as we would like as the pub had been open irregularly prior to Ben's (Spur Associates) arrival.

The month by month position so far this financial year is :

May – limited trading – Thursday – Sunday – turnover was low £7k but start up grant of £8k meant we made a small profit just over £1k.

June – opening for longer with the Euros we made a small profit of £500 based on sales of £16k.

July, August and September – Ben and Spur Associates took over on 28 June. Sales were July £13k, August £23k and Sept c. £27k. Ben is approaching break even. It is likely to be a slow build to profitability.

Prior to Ben taking over the small profit we've made so far this year is largely due to grants and furlough money. These sources have now all dried up. Without the help of subsidies we would have made a loss c. £7k for the year to June. New funds for AAA will come from rent and profit share (providing there is some later in the year).

Financial Management - Banking

We've recently made changes to the bank accounts. We now have four accounts with Barclays.

We opened a new bank deposit account to hold the tenant deposit of £7500.

All of the bounce back loan (which I was holding as a reserve and hoping not to touch) was moved into the business current account.

There is a separate loan account and we now owe just over £19,000.

In future we will keep all the grant funds in the community deposit account as this funding needs to be restricted. This has £6,823 following receipt of another installment of Peoples Health Trust grant funds for the lunch and gardening project. I will make all payments connected to the grant from this account so there is a clearer separation from the business account.

The bank mandate has been updated and two signatories are required to sign off payments at the bank.

Budget

The committee has agreed a budget for the remainder of the financial year which reflects our investment priorities.

Our balance sheet has weakened compared to this time last year as we are more indebted. But we've continued to pay creditors promptly in lockdown so we don't owe any large sums.

We are making progress with our insurance claim for loss of income after escalating the matter and we are hopeful we could recover around £50,000.

Current Investment Plans

In the updated Business Plan we detail current and longer term investment plans for the pub.

Our priority is to undertake investments to support the tenant's ambitions and make the pub profitable. A number of key things have been completed since Spur Associates took over in July:

- Redecoration of the pub (AAA funded £2700)
- Electrical repairs in kitchen and changes to lights (AAA funded £971)
- New/reconditioned furniture (Spur funded)
- Customer service training/uniforms (Spur funded)
- New/reconditioned kitchen equipment – e.g. professional pizza oven and Rational oven for Sunday roasts (Spur funded)

Spur consider the value of their investment will be about £20,000.

AAA is currently getting quotes for the following in priority order :

- Building the pergola and weather proof covering in the rear garden £2.5k at least;
- Fixing the roof at the front – depends on whether a repair or new roof is needed but £1- 3k;
- Making any further electrical system repairs – some emergency lights need replacing c.£500
- Remedying the poor accessibility/trip hazard of the folding garden doors - £9k cost likely.