

AGM 2020

Background note from the Management Board on agenda item 9

"The Management Board proposes that for the year from 1st July 2021 the basic full annual subscription shall be maintained at £18.00, with other membership subscriptions based pro-rata on this amount."

In light of the financial impact on the Society of Covid-19, the Board considered asking the AGM to increase subscriptions. However, it decided not to do so because the Society's recovery from Covid-19 depends on retaining as many members as possible, recruiting more members and running activities locally to welcome new dancers. Keeping the subscription paid to Coates Crescent as reasonable as possible is one way to encourage those three aims.

The consequences of Covid-19, especially the cancellation of Summer School, have blown a large hole in the Society's budget for 2020-21. At one point it was estimated that we could incur a deficit close to £250,000. The Board has responded by taking several measures. They include distributing the magazine digitally where possible (saving £25,000), putting three members of staff on furlough (saving £27,000), opening a donate page on the website (which has so far brought in £5,000) and additional action to cut central and governance costs. The current estimate is that this year's deficit could be £140,000. The Board intends to reduce this further by taking more steps that will be announced shortly.

Whatever the amount of this year's deficit, it will be a significant sum alongside the money we could anticipate receiving through an increase in subscriptions. The Board estimates that each £1 on subscriptions would raise an additional £7,000. However, with the recent recovery in investment values, the Society has assets (including long-term investments and the value of 12 Coates Crescent) approaching £1.9 million. Of this, £300,000 is in readily available cash, which, in this exceptional year, can be used to cover the forecast operating deficit. If

we can resume activities next year and we can retain our membership, the Society's overall financial position will strengthen once again.

The Board has therefore concluded that the long-term interests of the Society are best served by maintaining the current subscription to encourage members to renew and to help branches recruit new members. Both of which are essential to the Society's future. In each of the two years prior to the impact of Covid-19 branches were successful at recruiting new members and membership grew overall. The Board wants to do what it can to support branch activity, because it is at the local level where dancing will resume after this crisis. In current circumstances holding down the cost of membership is a means of doing that.

25 August 2020