

## **Treasurer's Report - Annual General Meeting, Monday 11 April 2011**

### **FINANCIAL REVIEW**

#### **Overview**

Once again we should be duly proud that in the depths of recession our financial performance is well ahead of last year, our charitable giving increased and we have made a positive addition to reserves. As ever we must thank our staff, Members, corporate supporters, trusts and foundations and many celebrities and sports people for their generosity.

The Buckingham Place team has continued to work closely with Members to run a busy diary of varied and successful events. In addition our Regions also continue to go from strength to strength. This year we have had a strong contribution from Diamond Jubilee events both centrally and in the Regions. Far too many people to name deserve thanks for their efforts so thank you to you all.

We cannot continue to increase our income by running more or larger events so great efforts have been made to introduce new sources of income. We were particularly fortunate to have been a joint beneficiary of the Lord Mayor's Appeal and towards the end of the year received a substantial un-restricted donation for which we are particularly grateful. In addition we have been successful in securing new corporate supporters spread over a number of years and have also been the beneficiary of a number of events run by others which in my view is a credit to the work done to raise our profile with corporate organisations throughout the UK. Restricted income is a regular and growing feature of our income.

79p of every £1 we received was spent on our charitable work (2009 78p). We invested 16p in the £ in raising more funds (2009 17p). And 5p in the £ in governance and running the organisation as effectively as possible (2009 5p).

Our staff complement remains at the equivalent of 19 full time staff which means that we generated an overall surplus, before grant aid, of £156,000 per head (2009 £138,000).

#### **Value Added Tax**

During the year ended 30 September 2009 we received a further exceptional repayment of £91,246. We received nothing further during the year under review but negotiations are still proceeding and I would expect a final repayment during the current year.

#### **Financial Results**

The unrestricted funds surplus before unrestricted grant aid for the Group was £1,678,309 (2009: £1,523,627). Further details are shown on page 15 in the Statement of Financial Activities, but a summary is set out as follows:

**Statement of Financial Activities  
For the year ended 30 September 2010**

|   | £ '000   | £ '000       | £ '000             | £ '000       |
|---|----------|--------------|--------------------|--------------|
|   |          |              | Year ended 30.9.09 |              |
| <b>Income</b>   |          |              |                    |              |
| Fundraising events  |          | 4,490        |                    | 3,912        |
| Donations   |          | 2,004        |                    | 1,317        |
| Legacies  |          | 1            |                    | 45           |
| Subscriptions   |          | 233          |                    | 221          |
| Investment and other income                               |          | 24           |                    | 133          |
|   |          | <u>6,752</u> |                    | <u>5,628</u> |
| Cost of events  |          | <u>2,422</u> |                    | <u>1,740</u> |
|   |          | <u>4,330</u> |                    | <u>3,888</u> |
| Less:   |          |              |                    |              |
| Overheads   | 16p in £ | 1,052        | 17p in £           | 958          |
| Grant aid staff and support costs                         | 5p in £  | <u>311</u>   | 5p in £            | <u>298</u>   |
|   | 21p in £ | <u>1,363</u> | 22p in £           | <u>1,256</u> |
| <b>Surplus of Income over expenditure</b>                 |          | 2,967        |                    | 2,632        |
| <b>Less: Grant Aid</b>                                    |          |              |                    |              |
| Youth cricket   | 1,000    |              | 894                |              |
| Fields in Trust   | 30       |              | 30                 |              |
| Minibuses   | 1,213    |              | 1,074              |              |
| Sports and recreation for young people with special needs | 333      |              | 428                |              |
| Brian Johnston Memorial Trust                             | 37       |              | 42                 |              |
| Disability Sports Appeal                                  | 201      |              | 138                |              |
|   |          | <u>2,814</u> |                    | <u>2,606</u> |
| <b>Retained surplus for the year</b>                      |          | <u>153</u>   |                    | <u>26</u>    |

In accordance with Accounting Standards at 30 September 2010 George Trollope, Chartered Surveyors, re-valued our freehold at Buckingham Place and small increase in value of £75,000 to £2,825,000 has been recorded in the financial statements. During the year the Trustees debated various options regarding the freehold and concluded that there was no compelling case to consider any changes for the time being. The matter will be kept under regular review.

**Reserves Policy**

The Reserves Policy of the Trustees is, as far as is prudently possible, to commit all funds raised by the Charity in the year in which they are received, having regard to the need for funds to cover a normal level of working capital. The Trustees have agreed an objective to build up a free reserve of at least £300,000. During the year ended 30 September 2010 reserves have grown to £416,735 (2009: £174,746).

The Trustees considered the overall results at the March 2011 Trustees meeting and decided to release an additional amount to Foundation of £100,000 to be distributed during 2010/11. In addition we have received a special appeal from Fields in Trust to increase our regular grant to them to by £17,000 to £47,000. Given the neatly coincidental mathematics of this request the Trustees agreed to increase the addition transfer to £117,000 reducing net unrestricted reserves to exactly £300,000.

I am pleased to report that we have received an unqualified audit report from Hays Macintyre so I would like to propose the adoption of these financial statements to the meeting. The full annual Report and Accounts for the year ending 30<sup>th</sup> September 2010 is now available on our website ([www.lordstaverners.org](http://www.lordstaverners.org)) or please contact Colette McCarthy (020 7821 2828) if you would like a hard copy.

### **Other Comments**

The senior management team has set itself a tough budget for 2010/11 and in the first quarter we have got off to a very encouraging start. As I have mentioned above we have had great success in opening new income streams and some spread over a period of years. A benefit of longer term arrangements is that we start the year with a greater degree of certainty. We hope that this trend towards corporate support continues.

As ever I must thank Jack Haslam for his efforts over the past year. Jack has done his usual diligent job managing our accounts department and advising and supporting our Regional Treasurers.

This was our first year with our new auditors Hays Macintyre. With a sigh of relief I can report that our first year went well, Hays Macintyre identified some minor weaknesses in our control systems which will endeavour to close over the coming year but otherwise were satisfied with what they saw. I would like to thank Bernie Watson and Steve Fisher for their help and support during the year.

The challenging times continue and I doubt we will see much change in the immediate future, but I am pleased to say that we have a good team and financial reserves that we can use to continue the fantastic work that we do to give so many young people a sporting chance.

If you do have a financial question that you would like to ask at the AGM, then please let me know so that I can ensure that I have a complete answer ready for you. My contact details are:

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Best wishes

John Barnes  
National Honorary Treasurer  
14 March 2011