



TREASURER'S ANNUAL REPORT for the EBU 2016 AGM

Overall approach

Although the EBU is effectively a not for profit organisation, the Board has decided that it will aim to make a small surplus on day-to-day activities over the 4-year international cycle, with European and World championships etc not happening every year, but so that it has an investment cash pot (eg for new or replacement technology) whilst maintaining healthy reserves.

2015/16 results

2015/16 was a difficult year financially for a number of main reasons:

1. Our welcome success on the international front does increase the cost of supporting those teams.
2. Income from competitions continued to fall; other sources of income were also under pressure.
3. This led to an operating loss of nearly £22k in addition to which we have provided a further £181k in the event that our claim through the courts for Bridge to be recognised as a Sport is unsuccessful. As we discussed fully at our half-year meeting, the Directors and the balance of shareholders regarded this as an investment worth making, notwithstanding the risks, for this one-off opportunity to secure the financial rewards and recognition that would help to underpin the future of our game. We obviously await the outcome of our legal challenge both with anticipation and of course a bit of anxiety, but are pleased at the considerable and largely positive spin-off publicity which the claim has generated.

2016/17 plans

Nonetheless our reserves remain in good shape at £805k and we therefore decided to freeze our membership prices in 2016/17, which coupled with continuing international costs will lead to a planned operating loss of around £59k in this year.

We will need to start to bring ourselves back into surplus, and so are recommending a membership fee increase broadly in line with expected inflation from 1 April 2017, as well as continuing to look for ways to trim costs, but not to the point where we fail to provide a quality service and support which our Members have both received and expect to continue to receive. We are not in the business of simple cost minimisation.

Some observations

Being new to the Treasurer's role, I can perhaps comment more independently than I might be able to in future years. Andrew Petrie, my predecessor, has handed me a strong balance sheet; the EBU is well run both financially and administratively compared to so many other national *sporting* organisations. We will continue to improve our financial effectiveness and control, but that is very much the icing on the cake rather than suggesting anything is fundamentally wrong.

We do have financial storm clouds ahead (eg competitions, increasing pressure on our support for internationals which will need to be capped, and certainly not least an ageing membership profile). All these need to be and are being addressed.

But we do have the ability to invest in the future of our game, including technology, which puts duplicate bridge in a potentially better position than some other activities with which we are competing for people's leisure time. Our sizeable investment of £80k in EBED in 2015/6 was a good example of this.

Conclusion

In summary, there are important and difficult issues to address, but in financial terms we do this from a position of strength.

Jerry Cope

Treasurer