

FINANCIAL REPORT TO SHAREHOLDERS: MAY 2018

2017/8 OUTURN

At the time of writing, the final outturn remains a little unclear, as we wait to see the effect of the poor weather on March UM receipts, and tot up the final cost of the emergency electrical work needed for our Aylesbury building. (It takes a little while for Clubs to submit all their UM files at year-end).

However I expect us to have beaten budget, and secure a small surplus due to the successful implementation of the rolling economy programme and to the unbudgeted sales of the new law books. These in particular boosted Bridge Warehouse sales and surplus in the first half of the year, with no royalties being payable to the Portland Club, thanks to their agreement in the autumn to no longer seek such royalties. Sales of law books have however now returned to normal levels so, in terms of significance, this will be a one-off benefit to 2017/8.

It is also good to note that although there is volatility with individual competitions, overall the pace of decline in our income from Competitions had dropped off, albeit they will not contribute to our overall financial health as much as has been the case in the past. However Sims net income remains a cause for concern, but remains an important contributor.

2018/9 BUDGET AND 4-YEAR PLAN

The Board, endorsed by Shareholders, has been determined to put in place plans that secure a small surplus over our 4-year cycle, without raising UM prices higher than inflation, even though some of our costs can be expected to rise a little faster than prices.

I am pleased to report that our latest 4-year plan achieves this aim with what is a realistic set of assumptions. This has been achieved by continuing to implement sensible but tight cost control, and taking action on key elements of our economy programme (eg withdrawing support for the Olympiad, removing duplicate copies of English Bridge, boosting Bridge Warehouse sales, and controlling admin costs). In the 4-year Plan which will be finalised when we are sure of the 17/18 outturn, I expect to see 3 years in small surplus, and 1 year with a very small deficit. We will however have to invest within the budget to achieve this including in a better web interface for the warehouse, and in a campaign to maintain/boost Membership numbers. We might also need to use our reserves for any unexpected large financial shocks, as contingency within the budget is limited.

In particular the budget for 18/19 has been constructed to achieve a small surplus, and a comparison of this year and last year's budget set by the Board is attached for information.

In summary I believe our finances are in a reasonably stable state, with the big risk being our ageing membership profile in a very competitive time amongst all leisure activities.

Jerry Cope

Treasurer

April 2018