

Ecsite UK – Treasurers AGM Report

September 2008

1 Introduction

- 1.1 Thanks are due to Roland Jackson, John Gagg and the team at the BA who host Ecsite uk and provide financial administration and advice.
- 1.2 Progress has been made in areas such as budgeting, allocation of staff costs, project administration and analysis and I am grateful to Penny for the attention she has given to this.
- 1.3 An issue under discussion during the year has been the role of projects and their financial impact on Ecsite uk. Guidelines have been put forward concerning the approach towards the use of project surpluses in meeting core running costs.
- 1.4 Please note that Ecsite uk's financial year runs January – December. Formal audited annual report and accounts are not produced as Ecsite uk is not a legal body.

2 Results for financial year 2007

- 2.1 The cash flows associated with Ecsite uk project activity had a large effect on the results for 2007, and they cannot be interpreted meaningfully without reference to this.
- 2.2 The timing of payments for project activity was such that there was a strongly positive cash-flow for projects at the end of the year. Also, a number of projects were still in progress at the year end, and costs for these incurred during 2007 were carried forward, together with the income associated with them. This resulted in income of £320,351 being carried forwards against costs of £195,784.
- 2.3 The final outturn for the year was £486,628 however this contained £195,784 of positive cash flow on active projects being carried forward.

3 Budget for financial year 2008

- 3.1 The budget for the year has been set and it is notable that there is less project activity anticipated. A number of projects are carried forward from 2007 with substantial effects on the budget.
- 3.2 Following discussion with the Board, it was decided that the reserves were sufficient to set a deficit budget, effectively using a portion of reserves to enable the organisation to maintain its lobbying and other activities, whilst recognising that this approach was not sustainable and required considerable caution.

2008 Budget	£
Apparent deficit due to phasing of projects	-195,783*
Actual deficit due to lack of core income	-66,278
Overall deficit at end of 2008	-262,061

*This sum includes expenditure on projects for which income was received in 2007

- 3.3 Placing this budget in context, and estimating the position underlying the short-term effects of projects, the opening balance in terms of available reserves held by Ecsite uk was approximately £300,000, whilst the closing balance is expected to be approximately £220,000.

4 Financial year to August 2008 – results

- 4.1 Core activity is showing a net deficit of £25,439 against a budgeted deficit of £44,185.
- 4.2 A number of projects have recently been completed, and collectively these have shown a higher than expected final surplus which has now been transferred into the core budget. Many of these projects began last year.
- 4.3 On present information, it seems likely that we will end the year close to or somewhat better than budget. However the overall position for the year remains negative.

5 Issues

- 5.1 There is a need to find more secure, sustainable financial support for the core activities such as membership benefits and lobbying.
- 5.2 There is a need to ensure that project activity does not create undue risks for the organisation.
- 5.3 Ros departure during the year has increased workloads for remaining staff and some administration support is felt necessary.
- 5.4 At an administrative level, the situation whereby Ecsite uk is hosted by the BA provides both advantages and disadvantages. For example, there is no annual report and accounts produced specifically for Ecsite uk since it is not a legal entity. The issue of Ecsite uk becoming a charity in its own right is being actively considered, and whilst this would increase certain costs, it would enable greater financial administrative control and clarity, and may also help gain access to a wider range of potential funds.

Peter Trevitt

Treasurer, Ecsite UK