



Association of  
**Democratic Services**  
Officers

## **FINANCE REPORT**

**Submitted to ADSO AGM : 26<sup>th</sup> November 2015**

**Author : John Lynch, Finance Director**

### **1. INTRODUCTION**

The Association was formally established as a company on 5<sup>th</sup> November 2009 and registered for VAT on 30<sup>th</sup> November 2009. It has been trading continuously since formal designation and the Articles of Association of the Company require the accounts to be submitted to AGM each year. However, the accounting period for the submission of accounts to Companies House is the calendar year.

1.2 The fifth set of audited accounts were approved by the ADSO Board earlier this year and circulated to the membership for information.

1.3 As the full and audited accounts for the Association for 2015 will not be ready until early in 2016, this report will attempt to bring members up to date with finances as at 23<sup>rd</sup> October 2015.

1.4 A full copy of the audited accounts of the Association will be placed on the members only part of the website when they are ready by the accountants in early 2016.

### **2. COMMENTARY ON THE 2014 ACCOUNTS**

2.1 For a new association the 2014 accounts presented to the membership shows that the organisation continues to grow year on year and has a sound financial position. The association is a virtual organisation in that it does not own or rent any premises, does not employ any staff and relies heavily on Directors and others to carry out the work of the business on a voluntary unpaid basis.

2.2 As can be seen from the Chairman's report in order to build a sustainable association, have proper succession planning in place and provide financial stability then continuing to rely on a few people on a voluntary, unpaid basis cannot continue.

2.3 As a first step towards providing longer term stability, the Board agreed that with effect from 1<sup>st</sup> January 2016, book-keeping and VAT returns for the Association would be undertaken by Caroline Wood from Lupton Wood and Partners. She will work closely with myself as this will free up time for Directors to deal with more strategic issues than day to day operational matters. Steele Robertson Goddard will continue to provide our audited accounts each year.

2.4 The roles of all Directors have also been looked at and revised and are reported on elsewhere on the agenda.

The role of training Administrator is also being outsourced via competitive tender. At the time of writing this report, bids are being evaluated against agreed criteria before the contract is awarded and due to start on 1<sup>st</sup> December 2015.

2.5 Turnover for 2014 for the Association was £185,175. Our operating profit for last year jumped from £28,792 in 2013 to £84,588 in 2014. The main reasons for this are that our income on every stream increased significantly from 2013 whereas our costs remained fairly stable or reduced in some areas such as Regional Advisor Fee, Awards and the website. ADSO also paid £4,002.96 towards sending 18 members to the IMC Symposium in Brussels in 2014.

2.6 The Board has agreed to freeze the price of membership and job adverts for the coming year together with continuing to offer the discounts based on the numbers of members joining from an authority. However, these will need to be reviewed again next year in line with looking at income streams.

2.7 In terms of membership income quoted below for the period 1<sup>st</sup> August 2014 to 31<sup>st</sup> July 2015, this relates to a total of 922 members across the country. Of these 133 were new members, 4 were members swapped with a previous member, 736 were renewals and 49 were new members who joined during the three month free period. For the 2015/16 period 82 new members have joined during the three month free period. Membership renewals have now been sent out to all members and it will be helpful if these can be paid as quickly as possible.

2.8 Set out below is a snapshot of the income for the Association. All figures include VAT.

	£
<b>Membership Income</b>	53,571.00
(1 <sup>st</sup> August 2014 to 31 <sup>st</sup> July 2015)	
less cost of AEA collection	8,800.80
Balance	£ 44,770.20
<b>Job Adverts Income</b>	
Since 1 <sup>st</sup> January 2015 to 22 <sup>nd</sup> October 2015	29,580.00

**Training Income**1<sup>st</sup> January 2015 to 22<sup>nd</sup> October 2015

13,872.00

£

**Sponsorship Income For Conference and Regional Events**

Modern Mindset	2,700.00
Link Support Services	780.00
Nuway Audio Visual	780.00
Astech	1,494.00
Audio Minutes	1,380.00
Public i	1,008.00
Sound Advice	780.00
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	£8,922.00

**Conference Income from Delegate Fees**

£23,848.00

**2.9 TRAINING COURSES**

Most of the courses that have been run this year have been profitable, except where there were more learners on the course as they did not have to pay for the training as this was included as part of the qualification fee. One or two courses have had to be cancelled due to a low level of applications.

**2.10 QUALIFICATIONS INCOME**

The majority of the income we receive from Qualifications covers the cost of the advisors, assessment centres and running costs generally.

**2.11 EXPENDITURE**

Apart from invoices to pay for all the Qualifications work, travel and subsistence, room hire, printing and refreshments for the training events, together with the costs already listed above, the major items of expenditure paid so far this year are:

IIMC Conference, Connecticut, USA - Kim Pocock	£1,445.33
- John Quinton	£ 845.16
SRG – Preparation of accounts	£2,700.00
Preparation of quarterly VAT returns	£2,460.00
HMRC - Corporation Tax	£ 300.00
- VAT Jan-March	£1,904.12
- April-June	£ 902.00
- July-September	£4,120.60

Hiscox £5m worth of Public Liability Insurance ) - Directors Liability Insurance ) - Cyber and Data Insurance )	£1,253.14
Modern Mindset – Share of stand at LGA Conference	£ 900.00
Barsbank Annual Website Hosting	£ 576.00
Annual extra Storage and Security Upgrades	£ 324.00
Annual Email Hosting	£ 108.00
Urbancanda Facilitation for Development and Business Planning Day	£2,280.00
Lawyers in Local Govt for Bulletin-still to invoice £2,000 to us.	

## 2.12 SAVINGS

The Association uses an online Business account with Barclays to keep costs low. However this does not pay any interest on funds in our accounts.

We have therefore made use of Fixed Rate Bonds, where possible, given that interest rates generally are very low for businesses. We are also conscious to ensure any savings/investments we make are as secure as possible and therefore each of our savings are within the Financial Services Compensation Scheme limit of £75k.

We currently have £75k invested in a fixed rate bond with Raphaels Bank until 27<sup>th</sup> March 2017 which will pay 2.05% AER. We also have £75k invested in a Business Savings Account with Aldermore until 31<sup>st</sup> December 2017 which will pay 2.02% AER.

- 2.13 If your Council has a purchasing system, please ensure you obtain a purchase order before you place any order with us as otherwise your authority will not pay any invoice without it and this causes us delays when we have to chase this up after the event.

## 3. RECOMMENDATION

That the AGM note the Finance Report.

**John Lynch**  
Finance Director  
23<sup>rd</sup> October 2015