



Association of
Democratic Services
Officers

FINANCE REPORT

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1. INTRODUCTION

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

1.2 The third set of audited accounts were approved by the ADSO Board in early 2013 and circulated to the membership for information.

1.3 As the full and audited accounts for the Association for 2013 will not be ready until early in 2014, this report will attempt to bring members up to date with finances as at 25th October 2013.

1.4 A full copy of the audited accounts of the Association will be e-mailed to all members and placed on the members' only part of the website when they are ready by the accountants in early 2014.

2. COMMENTARY ON THE 2012 ACCOUNTS

2.1 For a new association, the 2012 accounts presented to the membership show that the organisation continues to grow year on year and has a sound financial position. The association is a virtual association 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 and unpaid basis. The only payment they receive is the cost of travel/subsistence.

2.2 The Association's turnover for 2012 was £149,416 which was very similar to 2011. We made £32,655 profit in 2012 for the third year in succession so has a healthy balance in reserves at the moment. This has enabled the Association to continue to invest in a number of developments for the members including improving website functionality and the ability to deal with on line voting for any elections, continued sponsorship of the Annual Municipal Journal Award, professional qualifications, e-learning portal plus on line conference recording facility for learners and assessors, sponsorship of attendance at the IIMC Conference in the USA for 1 learner and 1 member each year, weekly Democracy Direct Bulletin plus the provision of training courses across the country and the annual conference.

2.3 The Association took the decision to rebuild and redesign its website after it was hacked earlier in the year. This also gave us the opportunity to refresh the look and feel of the website in a more secure environment and to make better use of the front page for the events calendar and on line polling. We also took the opportunity of taking out cyber insurance to cover us for any loss of business if the website was down due to hacking for a long period of time. The redesign

and rebuild of the website cost £7,200.

2.4 The Association took the decision at last year's AGM to increase the cost of job advertisements and training courses for the first time. As you can see from the figures below, this has not resulted in any reduction in take up but has meant an increase in income for us.

2.5 The decision was also taken to increase the cost of membership by £10 and we hope that this will not have a negative impact on membership levels as we consider that this still provides excellent value for money. We will review membership numbers later in the year but early indications of those renewing or new members joining are encouraging for 2013/14.

2.6 In terms of the membership income quoted below for the period 1st August 2012 to 31st July 2013 this related to a total of 941 members across the country. 716 of these were renewals and 222 were new members and 3 were past service. 88 of those new members joined during the 3 month free period which we have offered again this year.

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

Membership Income	£
(1st August 2012 to 31st July 2013)	44,686.30
Less cost of AEA collection	approx. 9,100.00
	Balance 35,586.30

Job Adverts Income Since 1st Jan 2013 to 29th Oct 2013	16,200.00
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Downtime when website was out of action lost us a possible extra income of £960

Training Income	£
1st Jan 2013 – 25th Oct 2013	25,305.00
Total profit on courses run up to Aug. 2013	8,109.98

Sponsorship Income – Xpress	3,600.00 (over 2 years)
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Conference Income	20,158.30
Less costs	9,650.00

Conference Sponsors: Astech/CMIS	840.00 Including entry onto Suppliers Directory on ADSO website
Semheiser	600.00
Web-labs	600.00
Public-i	600.00
	Balance 13,148.30

2.8 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.

The Association relies heavily on some authorities who are able to defray or subsidise the cost of training held at their venues whereas others charge market rates for hire, refreshments and printing etc. We also pay trainers to run the courses a nominal fee of £125 and report authors a fee of £250 for preparing and writing all the materials.

2.9 QUALIFICATION INCOME

The majority of the income that we receive from Qualifications covers the cost of the Advisers, Assessment Centres and running costs generally.

2.10 Apart from the 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 are:

Cyber Insurance for website	£	530.00	
Public Liability Insurance		£430.09	
Professional Indemnity Cover	£	320.00	
Accountants Fees for Annual Accounts	£	2,000.00	
Accounting help with preparing Quarterly VAT returns		£1,600.00	
LLG cost of Bulletin	£	2,000.00	
VAT paid up to 20th Sept. 2013		£4,068.57	
Bank charges up to 29 Oct.2013			
	Main Acc	£	73.43
	Quals Acc	£	65.50
L.B. Richmond – Administration for training courses from Jan to July 2013		£	2,075.00

2.11 Although we are a relatively small Association at the moment with 941 members the range of transactions we deal with is complex. To give you a better idea of this, during 2013 we have so far issued over 800 invoices (this includes membership invoices which of course includes many individuals on one invoice).

2.12 So far this year there have been 402 separate transactions through the main account and 489 separate transactions through the qualifications account, all of which have to be reconciled to an invoice or payment of some sort.

2.13 This is not always straight forward, as not every transaction is clear who it is from or what it is for, invoice numbers or descriptions are not always included, payments for several different invoices may be lumped together or they may be sent to us in error.

2.14 A large amount of time is spent ringing authorities payments sections to find out this information. A large amount of time is also wasted chasing a small number of authorities who are particularly poor at paying their invoices on time. Some of these are still taking several months to pay!

2.15 Can I therefore ask that you help the Association by making sure you obtain a Purchase Order number before you place any booking with us as otherwise your authority will not pay the invoice and we have to reissue the invoice when it does turn up; make sure your Finance Department quote our invoice numbers on the payments, tell us via a Remittance when it is paid and lastly make sure they pay it into the correct bank account and not the first one that happens to pop up on their screen.

3. RECOMMENDATION

That the AGM note the Finance report.