

## **NADFAS AGM – 2010**

Good afternoon ladies and gentlemen.

To save time, I will, as I have done for the last few years, be giving an overview of our results, rather than going into the full details. As usual, there will be a full written report in the Review, and I will of course, be very happy to answer any questions, either after my presentation, or personally at the end of the AGM.

### **(Slide 2)**

At last year's AGM, I said that despite the then economic outlook we were well placed for the future, as we were expecting to have a financial result for 2010 which was much better than our budget. This turned out to be the case, and instead of a small deficit, we had a surplus of over £90,000. This was due to the considerable increase in bookings made with our Tours affiliates, which resulted in our Tours income more than trebling. As a result, our reserves ended the year further above our target and this has enabled the Trustees to authorise both some one-off expenditure, and to waive monies due from Societies.

### **(Slide 3)**

Looking at our income and expenditure in more detail, in 2010 the General Fund's income was £1.54 million - an increase of over 12%. Subscriptions, advertising and tours commission still dominate.

So what were the key factors:-

- our income from affiliation fees increased by 2.1%, as once again we had a small increase in membership, which is a lot better than most similar organisations
- advertising income was broadly in line with 2009 at £182,000
- however, as previously mentioned, the key item was Tours income, which more than tripled to over £200,000
- our investment income also started to recover. It increased by 20% from last year's low, to £20,000
- lastly, following the continuing reduction in the number of lines that the NADFAS Shop holds, its sales fell by 11% to £28,000.

### **(Slide 4)**

Looking at expenditure, we continued to keep a tight control. It increased from £1.38million in 2009 to £1.43million.

As well as the new IT membership system at long last going live for Societies, at the end of the year we put in a very much needed, new accounting IT system. The money required for the main IT system had already been put aside and it came in on budget. However, we did spend an additional £5,000 on enhancements and incurred some temporary labour costs to help with the conversion. The new accounting system cost £19,000.

The cost of the Review, including postage, was 42 pence per copy - the same as last year.

## **(Slide 5)**

Therefore, the General Fund result for 2010, after the transfers to designated funds, was a surplus of £93,971, compared to a deficit of £12,496 in 2009. As previously mentioned, this was considerably better than our original budget, which was for another small deficit.

The other good news was that the recovery in the stock market led to the value of our investments increasing by over £48,000, leading to a positive total movement in our general funds of £142,940. As a result, at the end of last year our general reserves had increased to £1.26million, which is equivalent to 9.9 months expenditure.

This was above our target of 9 months, and it was for this reason that we decided to use 2010's unbudgeted - or windfall - surplus in four ways.

## **(Slide 6)**

Firstly, on public benefit. We are investing in creating an on-line index for church recording, and we will also be holding a national event for young people at Tate Britain in the Autumn.

We are also effectively returning sums to Societies. We are doing this by waiving the fares pool payment this year, which would have been £130 per society. This results in our income being around £45,000 lower in 2011. By doing this, it means that smaller Societies, who usually have a more difficult time financially, will get the same saving as larger Societies.

In addition the affiliation fee for 2011 was only increased by 2.3%, which was less than half the inflation rate.

We also want to invest in the future, as by expanding our membership we will both help to ensure that we remain in a strong financial position, and continue to carry out Patricia Fay's vision. We have therefore budgeted for a short term increase in resource dedicated to new membership development via new Societies and the affiliate membership scheme.

And lastly, we wanted to spend part of the surplus, to improve our service to you, our members. We are going to do this by investing in a major one-off upgrade to our website to improve both the content, and the search facility.

## **(Slide 7)**

For many of our members, NADFAS is all about providing lectures and enjoyable outings. These are, of course, a very important element of our education remit, but as we have been hearing today, our charitable aims also cover the giving of aid. Therefore, giving through grants, as well as through volunteering time, is important.

The Trustees are responsible for three designated grant funds, and the grants given by each of these for the past five years, are shown in this bar chart.

If you add the substantial sums given by Areas and Societies, we gave over £238,000 in 2010. From what we have heard this morning, I hope you will agree that we really are making a difference - especially in these difficult times. This sum does not include anything for all the valuable volunteering work done by Heritage Volunteers and Church Recorders etc., which I will come back to in a minute.

The bar chart shows the substantial increase in grants given in recent years by the Patricia Fay Memorial Fund. The amount we give in grants, has until now, been that year's net gift aid receipts on the affiliation fee together with the interest earned on Society deposits. However, in view of the Fund's higher reserves, we will from this year, also include the income from the Fund's investments.

Last year, disappointingly we did not have sufficient grant applications to use all the available money. Applications have increased and therefore we expect to see another fairly large jump in the level of grants given this year. But could I add that the grants committee would like to see even more applications.

The success of the gift aid scheme, and the considerable number of Societies who are now supporting it, really is a good news story. Last year, another 20 Societies joined, and already, 4 more have joined this year. This means that there are now less than 80 eligible, non charitable, Societies who are not in the Scheme. So if you are one of these, please do think about joining the Gift Aid Scheme. Since this was put in, we have transferred over £380,000 to the Patricia Fay Fund. In addition we have returned over £200,000 to Societies in administration fees, giving a total of nearly £600,000.

Do remember that our policy is that all monies reclaimed, following the payment of the administration fee to Societies, should be used for charitable purposes. These monies cannot be put towards NADFAS House expenses.

#### **(Slide 8)**

As you can see we do give considerable sums in grants. But that is only a small part of the story. We do enormous charitable work through our Heritage and Church Recorders volunteers.

Their value has not been fully appreciated, and we felt we should start to try to remedy this. Last year, as Gri has just mentioned, over 3,000 Heritage volunteers were working on 500 projects. They ranged from stewarding, to archiving, to helping with restoration work. We asked them to tell us how many hours they worked, and we have had sufficient replies to estimate that they donated over 300,000 hours. Using the National Average earnings rate, we calculated that the value was at least the £4.8 million which Gri mentioned - and that has to be a conservative estimate.

This estimated sum is just for the heritage volunteers, and excludes the church recorders. It really does show the enormous value of our volunteers' work, which I think many of us here, let alone outside NADFAS, have not fully appreciated.

I would just like to finish by covering the outlook.

#### **(Slide 9)**

We are in a strong financial position, and as I have outlined, this has enabled the Trustees to authorise some one-off projects, and effectively return monies to Societies, despite the difficult economic environment.

This is in no small part due to you. Previously I have asked you to take lots of holidays through the NADFAS Tours Affiliates. It's enjoyable for you; you spend your money before the children and the government get hold of it; and by booking directly

with one of our travel affiliates, and mentioning NADFAS, we get the commission. Well lots of you did - so thank you very much.

The key question though, is whether this level of Tours income will be repeated next year and onwards, and that is something I certainly can't forecast. This year we are still doing well, but as expected, commission is currently below last year's level. So looking ahead, the Trustees do have to take into account that this income could well be unsustainable in the future.

As a result of the actions I have outlined, we expect our reserves at the end of this year to be very close to our target, but to certainly be sufficient to see us through any further downturns.

But much more importantly, we have the financial strength to build on our success and to continue to thrive, in what is a continuing, difficult economic climate. Thus, we are in a much better position than many similar organisations.