

FINANCE DIRECTOR

I am pleased to inform you that our auditors have approved our accounts for the year ended 31st March 2006. The Association made a gain of £66,708 (2005 £93,737) on its operating activities during the year.

Whilst our total income decreased by 2.5% during the year this was due largely to us hosting the World Championships in 2004/5 which provided us with income during that financial year. This has been partially offset during 2005/6 with the increase in Sport England funding to £350,000 (2005 £307,500). We continue to remain reliant upon grant income for funding and I express concern that the percentage of income generated from other sources has decreased this year reversing last years increase.

Our expenditure during the year increased slightly over last year. The major changes relate to an increase in salary costs resulting from additional Whole Sport Plan funding requirements and a decrease over last year associated with hosting the World Championships.

Capital from the sale of the properties in Nottingham during March 2004 together with surplus profits continues to be invested in rolling one/two month time deposits. In this respect the Association continues to be conservative in its investment policy and the interest income generated is being used to offset the rental costs of the new premises.

Cash-flow is not a concern and the association has substantial reserves.

We have preliminary assessed the impact of 2012 together with the performance budgeting which has been announced and have initially concluded that the financial impact upon the operations of the EVA are minimal. I do however express concern about the availability of non-financial resources to support both the objectives of the EVA and 2012 aspirations.

The increase in Stocks is due to mainly to the production of MiniVolleyCards. Both Debtors and Creditors have been reduced over last year, however Creditors remain at a high level due to the provision for late invoices included in the accounts to reduce the annual surplus. This is prudent accounting treatment.

In conclusion, the association has continued to make an operating surplus this year. We have encouraged Commissions to expand programmes to encompass the objectives of the Whole Sport Plan and have budgeted for a loss the forthcoming financial year as a result of our attempts to facilitate expansion. We continue to be in a more healthy financial position than for many years but stress that the funds of the association need to be invested in the growth and development of our sport.

Operating results

	2005/06			2004/05		
	Income £000s	Expenses £000s	Net £000s	Income £000s	Expenses £000s	Net £000s
Commissions						
Coaches	38.3	12.0	26.3	32.7	8.9	23.8
Performance	34.1	94.1	(60.0)	101.8	175.4	(73.6)
Youth	6.5	37.4	(30.9)	15.0	44.3	(29.3)
Marketing	14.8	43.6	(28.6)	1.4	22.2	(20.8)
Referees	6.4	3.3	3.1	6.0	2.5	3.5
Competitions	84.1	49.0	35.1	77.5	32.9	44.6
Beach	0.0	4.7	(4.7)	0.0	0.3	(0.3)
Regional	0.0	0.0	0.0	0.0	0.0	(0.0)
Grant income	368.7	22.2	346.5	307.5	44.2	263.3
Headquarters	92.8	315.1	(222.3)	122.4	244.8	(122.4)
Executive Board	0.0	9.6	(9.6)	0.0	3.6	(3.6)
Other	26.1	14.1	12.0	24.7	16.2	8.4
Grand Total	<u>671.8</u>	<u>605.1</u>	<u>66.7</u>	<u>689.0</u>	<u>595.3</u>	<u>93.7</u>

Respectfully submitted

Richard Smith MA BA ACMA