

## FINANCE DIRECTOR

I am pleased to inform you that our auditors have approved our accounts for the year ended 31<sup>st</sup> March 2005. The Association made a gain of £93,737 (2004 £6,984) on its operating activities during the year.

Our total income increased by 58% during the year due largely to Whole Sport Plan funding (23%), World Championship income (19%) and PESSCL (10%) which, excluding these additional sources of funding means that our income received from ongoing sources has increased over last year by 6%. Our success in generating additional income puts us in a stronger financial position now than ever before. The replacement of the Sport England Grant with the Whole Sport Plan funding means that income is now guaranteed for the period 2005-9 and enables us to plan and structure accordingly.

The sale of the properties in Nottingham during March 2004 for £370k gave rise to a profit of £153k before tax (accounted for in 2003/4 financial year). The estimated tax bill associated with this transaction of approx £31k was reduced by £2k and paid during this financial year. The surplus on the sale of this asset continues to be invested conservatively and the interest income generated is being used to offset the rental costs of the new premises. Last year we anticipated that the move to new premises would remain cost neutral and this has proven to be the case in all material aspects.

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

The increase in creditors is mainly due to outstanding charges in respect of the World Championships which have been taken into this financial year and matched against income. This is prudent accounting treatment.

In conclusion, the association is in a better financial position than for many years. The confirmation of our funding for the next 4 years means that we can put in place strategic plans to prepare us for the future and the possibility of London 2012.

### Operating results

	2004/05			2003/04		
	Income £000s	Expenses £000s	Net £000s	Income £000s	Expenses £000s	Net £000s
<b>Commissions</b>						
Coaches	32.7	8.9	23.8	45.1	12.8	32.3
Performance	101.8	175.4	(73.6)	23.7	86.3	(62.6)
Youth	15.0	44.3	(29.3)	12.0	41.1	(29.1)
Marketing	1.4	22.2	(20.8)	1.8	24.5	(22.7)
Referees	6.0	2.5	3.5	9.2	4.7	4.5
Competitions	77.5	32.9	44.6	78.5	32.9	45.6
Beach	0.0	0.3	(0.3)	5.5	6.0	(0.5)
Regional	0.0	0.0	(0.0)	1.2	1.9	(0.7)
<b>Grant income</b>	307.5	44.2	263.3	208.0	0.0	208.0
<b>Headquarters</b>	122.4	244.8	(122.4)	26.5	196.0	(169.5)
<b>Executive Board</b>	0.0	3.6	(3.6)	0.0	2.6	(2.6)
<b>Other</b>	24.7	16.2	8.4	24.6	20.3	4.3
<b>Grand Total</b>	<u>689.0</u>	<u>595.3</u>	<u>93.7</u>	<u>436.1</u>	<u>429.1</u>	<u>7.0</u>
<b>Extra-ordinary Item</b>			0.0			153.0
<b>Profit before tax</b>			<u>93.7</u>			<u>160.0</u>

Respectfully submitted

**Richard Smith MA BA ACMA**