

Accounts 2010/11

TREASURER'S REPORT TO THE MEMBERS OF ESCNI COVERING THE YEAR TO 31ST MAY 2011

INTRODUCTION:

I am pleased to provide you with my second report as Treasurer of ESCNI.

Contents

- **TREASURER'S REPORT**
- **ACCOUNTS FOR THE YEAR ENDED 31ST MAY 2011**
- **AUDITORS' REPORT**

As I explained in my report last year, I was looking for ways of making the club's accounts more user-friendly and informative and I presented the 2009-10 accounts in a more detailed and revised format than in previous years. I received favourable feedback both from the committee and the membership so, for these accounts, I have continued with this format with a few minor adjustments which I felt could improve further the information being provided.

As the format is relatively unchanged, I am now able to show comparative figures for various elements in the accounts - this shows any increases or decreases in particular categories of income and expenditure. This level of detail, which was unavailable last year, makes it easier for your committee to make decisions which have an impact on the finances of your club.

[continued overleaf]

AGM: Duke of York, Belfast
8pm, Tuesday, 22nd November 2011

COMMENTARY ON THE ACCOUNTS:

The club remains in a healthy financial position with cash assets of almost £13,700.

The club had an operating deficit for the year of £1,260.80. The main reasons for this were:

- Membership income decreased by some £1,367.
- Computer related costs increased by some £2,203. The bulk (£2,016) of this represents investment by the club in new computers for the use of the Ticket Secretary, the Membership Secretary, the Club Secretary and the Treasurer; and a printer for the Membership Secretary. The club retains ownership of this equipment. These items replaced equipment, some of which was in excess of 6 years old, and in some cases non operational. The committee felt that this long overdue replacement programme would help maintain and improve the service to members and also assist the committee members in their various roles. While this year's accounts is taking the 'hit' for this expenditure, the benefits will be spread over the next five years without any charge being made to the accounts in those years (except for expenses such as ink, software etc).
- There were no Evertonia payments – a net reduction in costs of some £694. In recent weeks, you may have received invitations from Everton FC to join Evertonia for 2011-12. As ESCNI now gets its ticket allocation before Evertonia members, there is little benefit in terms of tickets for ESCNI to enlist members as in previous years.
- The increase in meeting costs reflects the Ticket Secretary's attendance at three meetings with EFC at Goodison Park. The Committee approved this expenditure as it felt it was important for ESCNI to have representation at the preliminary meetings to ensure that ESCNI would be informed and well placed to avail of any benefits arising to supporters' clubs. As time went on, it was felt that any benefits to ESCNI did not justify the level of outlay required. Consequently, it is not envisaged that the same level of attendance (and therefore associated costs) will be required in 2011-12.

The level of expenditure on match tickets remained in line with the previous year with ESCNI purchasing over £30k worth of tickets. The number of guests rose and so the club benefitted from an increase of over £300 in guest charges.

Other smaller fluctuations in income and expenditure can be seen in the accounts where I have added some explanatory notes.

It is important to maintain a healthy reserve of funds for a number of reasons including:

- The expenditure on match tickets depends on the fixture list and can therefore fluctuate significantly from month to month. It is important to have funds in place to meet occasional peaks.
- The club will from time to time need to renew and upgrade its computer equipment and software to maintain and, where possible, improve its service to members. Reserves will be used for this purpose, as was the case in 2010-11. In light of the expenditure required in 2010-11, the committee devised and adopted a formal IT replacement policy as follows:
 - **Computers** (laptop or PC): that the club should purchase and issue computers to the Secretary, the Membership Secretary, the Match Ticket Secretary and the Treasurer to enable them to perform their roles within the club. A maximum budget of £500 should be allowed for each computer and each computer would have an anticipated life of five years (though this should be reviewed after three years).
 - **Printers:** the existing printers should be replaced on an 'as and when required' basis.
 - **Telephones:** as the current contract allows for an upgrade after two years, nothing further is required at this stage.
- The club is 25 years old in 2011. The committee decided to mark this historic occasion by producing an enamel lapel badge which will be issued free to all members in 2011-12 on the basis of one badge to each adult, OAP and junior, and two badges to each family. This outlay will be funded from reserves.

TIMETABLE FOR ISSUING THE ACCOUNTS:

In last year's report, I indicated that I thought if all went smoothly it would be feasible to have draft accounts for the committee to review and approve in August and then get the approved draft accounts to the auditors by late August. (Once the accounts

are audited, the Club Secretary can proceed to call the AGM). You will recall that delays in getting information to me meant there was a considerable delay in preparing and subsequently finalising the club's accounts in 2009-10 which resulted in the AGM being delayed until February 2011.

As there were relatively few delays in getting information to me this year, this gave me a good indication of how realistic my plan might be. I am pleased to say that this year I was able to just about meet the self imposed August deadline. However, this came at a price to me as the demands on my free time far exceeded my expectations and caused me to reassess the whole process. I would therefore propose to aim for completion of the accounts by the end of August but allow myself some leeway if the need arises. You can be assured I do not want to delay the AGM, but we (me included) need to remember that this is a football supporters club and not a FTSE 100 company so any deadlines must be in terms of what a volunteer Treasurer can do in his spare time. I would welcome your patience and understanding in this matter.

IN CONCLUSION:

I hope it is now easier for the members to understand the club's finances but as always I welcome feedback on how I might improve this further. As before, if any member would like to know more about any particular area of the accounts or ask questions about any of the figures in the accounts, I would like to hear from you. Please send your questions to escni@btinternet.com **at least 7 days before the AGM** so that I can look into it and have an answer on the night. I shall also ask the Secretary to circulate any questions and answers for the benefit of those who are unable to attend.

John McAllister

Treasurer, ESCNI

11th October 2011

			2010-11			2009-10
	Note:		£	£	£	£
Membership						
Income from membership fees						
Adult	1	I	2,790.00			3,915.00
Senior		I	72.00			66.00
Junior		I	108.00			176.00
Family		I	330.00			510.00
Total income from membership fees				3,300.00		4,667.00
Communications with Members						
Stationery		E	746.51			326.85
Postage		E	653.73			784.30
Phone		E	684.20			790.22
Broadband		E	255.08			212.78
Travel, meetings	3	E	849.50			475.66
Computer related costs	4	E	2,577.13			374.37
Total cost of communications				5,766.15		2,964.18
Benefits to Members						
Key rings	5	E	270.25			
Social events		E	-			20.79
Monthly draw	6	E	172.99			288.15
Birthdays cards - junior members		E	-			99.50
Total cost of benefits to members				443.24		408.44
Total cost of members' services					6,209.39	3,372.62
Overall surplus/(deficit) on members' services				(2,909.39)		1,294.38
Notes:						
Amounts annotated I denote income - money coming into the club.						
Amounts annotated E denote expenditure - money paid out by the club.						
The previous year's figures are in grey shading.						
1 These figures are based on money received as advised to me by the former Membership Secretary (MS) and the Ticket Secretary (TS).						
Any queries on the fluctuations in membership numbers as reflected by these amounts should be referred to the former MS.						
2 The increase in stationery costs reflect the cost of the 2009-10 AGM being included within 2010-11 accounts period.						
3 The increase in meeting costs reflects the TS's attendance at three meetings with EFC at Goodison.						
4 The increase in computer related costs represents investment by the club in new laptops for the TS, MS and Treasurer; a new PC for the Secretary; and a printer for the MS.						
This replaced equipment, some of which was in excess of 6 years old, and in some cases non operational.						
5 ESCNI promotional key rings were issued to all members in the year. A stock remains - see page 3.						
6 Some of the prizes have yet to be claimed - see page 3 for further details.						

			2010-11			2009-10
	Note:		£	£	£	£
Balance brought forward:					(2,909.39)	1,294.38
Tickets						
Income from Tickets						
Members & Guests - ticket values	7	I	30,875.00			31,013.75
Guests - surcharges	8	I	1,742.00			1,413.00
				32,617.00		32,426.75
Cost of tickets						
Match tickets for re-sale	7	E	30,783.25			31,135.95
Evertonia - paid to EFC	9	E	-			1,429.25
Evertonia - received from members	9	I	-			735.00
				30,783.25		31,830.20
Overall surplus/(deficit) on match tickets					1,833.75	596.55
Miscellaneous						
Bank						
Interest received		I	176.13			4.36
Interest paid		E	-			
Bank charges & fees paid - inc Paypal		E	258.29			269.73
				(82.16)		265.37
Promoting the club						
Trophy		E	15.00			67.55
Gifts		E	98.00			82.07
Advertisements		E	-			-
Banners		E	-			-
				(113.00)		149.62
Other items						
Gifts to club		I	10.00			-
Sales of club merchandise		I	-			84.00
Other		I	-			-
				10.00		
Overall cost of miscellaneous expenditure					(185.16)	(84.00)
OVERALL SURPLUS / (DEFICIT) FOR THE YEAR					(1,260.80)	1,559.94
Notes:						
7	These two figures are not the same because:					
	[a] some small differences existed in the reconciliations of the individual match sheets.					
	The TS and Treasurer will continue to work to resolve and if possible eliminate these differences.					
	[b] The figures are adjusted for monies owed by and to members both at 31 May 2010 and 2011.					
	[c] The TS advised the Tr that in some cases, members have waived small sums owed by the club.					
8	The guest surcharges continue to generate funds for the club and enable the committee to embark on projects such as:					
	[a] IT replacement, which should help maintain and improve the service to members and hopefully assist the committee members in their various roles.					
	[b] special commemorative lapel badges to mark the 25th anniversary of ESCNI - each member will get a free badge.					
9	There were no payments in respect of Evertonia in 2010-11.					

		← 2010-11 →				2009-10	
		Note:	£	£			£
Money the club has:							
Bank accounts:							
Current account				8,860.82			7,702.90
Business Reserve Account	10			-			5,347.58
Deposit Account	11			6,000.00			3,000.00
Paypal Account	12			78.56			97.50
Cash held at year end							
				14,939.38			16,147.98
Money owed to the club:							
Lodged after year end re this season			1,417.00				-
Ticket money			29.00				100.50
Sundry			26.46				-
			1,472.46				
Money the club owes:							
Ticket money to members			5.00				43.00
Ticket money to EFC			28.00				153.00
Membership overpaid			15.00				-
Evertonia paid in error			15.00				-
Paid after year end re this season			2,855.73				1,098.57
			2,718.73				
Net amount owed by the club:			-	1,246.27			- 1,194.07
Total cash assets of the club:							
				13,693.11			14,953.91
Other items owned:							
			Per item:	£			2009-10
							£
Enamel badges	175	2.50		437.50	179		447.50
ESCN1 merchandise							
Key rings	140	0.54		75.60	0		0.00
				513.10			447.50
Notes:							
10	The club owes prizes to members:	AGM draw		2 Tickets			
		Monthly draws		6 prizes of either a ticket or shirt			
	The estimated cost of these prizes would be in the range £280 to £340 depending on the prize selected.						
	This estimated cost is not reflected in these accounts.						
11	The Business Reserve and Deposit accounts matured. Some of this money (£6,000) has been put on deposit and the balance was retained for day to day operations. The interest received is shown on page 2 and reflects the low rates currently available.						
12	The stock of standard club badges (which are issued when a member first joins ESCN1) has decreased by 4.						
	This would suggest that either only 4 members joined for the first time in 2010-11 or some members are owed badges and therefore the stock as stated above is inflated.						
	The former MS has confirmed to me that some members have yet to receive their badge.						

AUDITORS' REPORT TO THE MEMBERS OF ESCNI FOR THE YEAR ENDED 31ST MAY 2011

In our second year as club auditors, we were once again presented with an extremely comprehensive yet easy-to-follow system in relation to the management of the club's finances. The aforementioned system has highlighted the extensive work carried out by the committee and, dare we say, reflects a financial type acumen that could be described as lacking at Goodison Park.

Following some consideration we would wish to briefly comment upon a number of points:

1. Operating loss for the year: ESCNI, for the first time in a number of years, functioned at an overall loss for the year due to a number of factors including;

- (a) computer related costs i.e purchase and/or upgrading of available facilities.
- (b) expenses incurred due to attendances at supporter club meetings/forum(s) at Goodison Park.
- (c) reduction in membership numbers.

It was however noted that aforementioned deficit was significantly tempered by monies gained via ticket guest surcharges.

2. Membership fees attained via 'Paypal': We queried the use of Paypal as there is a charge per transaction. The committee advised us that they felt it encourages members to join/re-join and were therefore content that it is a net benefit to the club. We find this explanation reasonable.

3. Surplus ESCNI merchandise: We queried the amount of stock which was given out for free and felt that better controls need to be exercised over order quantities. The committee took our point but commented that it is always difficult getting a balance between over and under ordering. The committee accept the need to maintain sales and will look at how best to achieve this regarding any such items ordered in the future.

The committee is content that the stock of badges is appropriate to address future requirements. We find this explanation reasonable.

4. Monthly prize draws: We queried the number of unclaimed prizes. The committee assured us that all winners are notified by phone but prizes can remain unclaimed as some members like to wait for the new season's shirt. We find this explanation reasonable.

Sean Moulard & Conor McQuaid

11th October 2011

ESCNI

**Everton Supporters Club
Northern Ireland**

