

Unpacking the Proposed Resolutions at 2018 AGM

These notes are provided to add some colour to the Resolutions and Director elections. All six Resolutions can be found in the AGM Agenda and Proxy Voting Form.

Resolution 1 – Overall this a good news story with the Association performing profitable and commercially. The key point is that we have been sufficiently profitable to enable us to invest in the future of the Association which in turn contributes to the long-term sustainability of the organisation. We came in £56k under budget due to a number of variations on both the income and cost lines rather than one event that knocked us off course. This illustrates a confidence in our financial planning which has enabled us to deal with the various challenges that we have experienced as the year unfolded.

Resolution 2 – As promised, there will be no change to membership fees. Patron fees are also unchanged.

Resolution 3 – We have inserted the budget overleaf of this communication. We are aiming to achieve a profit of £137k in 2019.

For information, our 2018 budgeted profit was £202k. Our current forecast is predicting a year end profit of £160k. We expect to undershoot the budget by £42k, a similar variance to 2017 and again the variances range across many aspects of our income and expenditure including some key new projects.

The budget for 2019 has used our forecast outcome for 2018 and current trends but then overlaid with a degree of caution due to our concern over the economy in 2019 and the unknowns, such as Brexit. The result is a flattening of income. Key costs include our new CRM system, continuation of the Morning Briefing initiative and the office move. The most significant increase is the Board remuneration at £113k. The profit budget is therefore £137k after absorbing this cost.

Resolution 4 – We propose to continue with UHY Hacker Young as our auditors for the financial year ending 31st December 2018.

Resolution 5 – This is proposed to ensure that we can properly embed the new governance structure whilst providing continuity to the Board and the Association's direction of travel.

Resolution 6 – Our rules state that all voting relating to Board Member Directors must be in person and the meeting must be quorate. Voting is not always required, but when we have more candidates than vacancies this rule is triggered. To improve the efficiency of this process for the future we are proposing that remote voting can be undertaken in line with the other resolutions.

Election of Directors

Assuming the Membership approve Resolution 5 - to extend the term of the Chair and Vice-Chair - we then have eight candidates for six positions, so we need to hold a vote. At the back of the AGM brochure we have included some brief details on each Member. Some are existing Directors seeking re-election, others have been involved on the Board as a co-opted Director and others are new.

The remaining four positions are to be filled from Patrons and external specialists. The Board have approved the appointment of *Martine Catton* and *Dave Furnival* as Patron Directors

We have filled one of the specialist roles by appointing *Russ Lewis* to the Board. Russ is a consultant who played an important part in our strategy and governance journey. He is a Military Teaching Fellow for the Royal Military Academy Sandhurst and brings a unique insight to our business.

2019 Budget

	Proposed Budget 2019	Latest forecast 2018	Final Actual 2017
Income			
Patronage Income	675,063	631,723	637,433
Membership Fees	676,080	606,126	481,680
Seminars & Sponsorships	46,250	54,833	7,835
Gala Dinner Income & Sponsorship	244,200	238,650	228,053
Expo Income & Sponsorship	564,825	540,105	439,628
Magazine Income	187,128	0	0
NACFB Member Services Income	35,675	58,871	71,957
Compliance Income	45,186	23,171	62,791
Total	2,474,407	2,153,478	1,929,377
Expenditure			
Gala Dinner Costs	168,920	164,000	143,431
Expo Costs	278,615	254,111	222,328
Administration Expenses	1,895,372	1,577,399	1,404,949
Total	2,342,906	1,995,510	1,770,709
Operating Surplus			
Other interest receivable & similar income	5,341	1,957	722
Surplus before taxation	136,841	159,925	159,390