



**BRITISH
DRIVING SOCIETY**

2019 AGM

19.10.2019

Finance
Report

Income Statement for the Year ended 31 December 2018 (£)

| | 2018 | 2017 |
|--|-----------|-----------|
| Turnover | 224,238 | 185,916 |
| Administrative expenses | (252,804) | (201,095) |
| Other operating income | 3,679 | 15,638 |
| Operating (loss) / profit | (24,887) | 459 |
| Other interest receivable and similar income | 67 | 17 |
| Fair value gain / (loss) on investments | (19,180) | 13,173 |
| | (19,113) | 13,190 |
| (Loss) / profit before tax | (44,000) | 13,649 |

In comparison to 2017 our turnover increased in 2018 and stood at two hundred and twenty four thousand pounds. The increase being thirty eight thousand pounds.

The majority of our income comes from members subscriptions and in 2018 income from subscriptions was just under one hundred and sixty six thousand pounds. This is up on 2017 when our income from subscriptions was one hundred and thirty six thousand. An increase of thirty thousand.

However, our expenditure increased year on year too and amounted to just shy of two hundred and fifty three thousand pounds in 2018. This represents an increase on 2017 spending of nearly fifty two thousand pounds.

Coupled with this, the stock market did not perform well in the later part of 2018 and as a result, the value of our investments fell by nineteen thousand pounds.

In order to try and 'make ends meet', over fifty thousand was withdrawn from BDS investments.

All of this means that the BDS made a loss of forty four thousand pounds in 2018.

(Source: Stat Accounts
December 2018)

2018 £

| | Income | Direct Expenditure | Overheads | Profit/ (Loss) |
|------------------------|--------|--------------------|-----------|----------------|
| National Championships | 6,981 | 12,777 | 4,250 | (10,046) |
| Smiths Lawn | 27,188 | 24,334 | 16,552 | (13,698) |
| Education | 14,250 | 12,816 | 8,675 | (7,241) |

Our main activities.....

In 2018, the National Championships made a loss of ten thousand, BDS Smiths Lawn a loss of thirteen thousand, and our Education programme made a loss of seven thousand....

The costs of these activities are made up of direct expenditure and a proportion of the cost of running the society i.e. overheads.

(Extract Management
Accounts December 2018)

2018 £

Income

Direct
Expenditure

Overheads

Newsletter

1,017

25,088

Yearbook

2,217

11,466

Overheads attributable to Communications

3,350

The direct cost of publishing three editions of the newsletter across the Society was in excess of twenty five thousand pounds.

The direct cost of producing and mailing the yearbook was eleven thousand pounds.

Some income was derived from these publications and the overheads attributable therefore stand at a little over three thousand pounds.



(Extract Management
Accounts December 2018)

Major Overhead Expenditure 2018

| | £ |
|-------------------------------------|--------|
| Legal Fees | 47,913 |
| Insurance Membership | 33,221 |
| Revaluation of Investment Portfolio | 15,500 |
| Book-keeping/ Accountancy Fees | 11,856 |
| Rent | 6,000 |
| Investments Fees | 3,607 |
| Professional Fees | 3,151 |
| Depreciation | 2,563 |
| Telephone & Internet | 2,330 |
| Credit Card Collections Fees | 1,591 |
| Investments Tax | 867 |
| Office Stationery | 740 |
| Direct Debit Fees | 740 |
| Photocopier Charges | 673 |
| Bank Charges | 473 |

So, the question on everyone's mind, "what are the overheads?" Overheads are the costs required to run the BDS, but costs that cannot be directly attributed to any specific activity, product, or service.

In order to balance the BDS books going forward we have taken a long hard look at each of these costs.

We have ...

- changed the way we access legal and professional advice
- moved the BDS office, resulting in our monthly rent being halved
- applied for and received business rate exemption status
- changed our phone and internet package to reduce our payments
- reduced our credit card collection fees by handing back unnecessary rented equipment
- closed bank accounts to reduce bank charges

And we are in the process of ...

- changing our accountants and the way we do our book keeping
- adjusting our investment portfolio so that our fees are reduced

| 2019 £ | Income | Direct Expenditure | Overheads | Profit/ (Loss) |
|--------|--------|--------------------|-----------|----------------|
|--------|--------|--------------------|-----------|----------------|

| | | | | |
|---------|---------|--------|--------|--------|
| Q2 June | 171,942 | 75,059 | 49,232 | 47,650 |
|---------|---------|--------|--------|--------|

What does all that mean for our accounts?

Well it means that at the half way mark of June 2019 our income stood at just shy of one hundred and seventy two thousand, our direct costs were seventy five thousand, and our overheads were just under fifty thousand, all of which results in a half year profit of forty seven thousand pounds.

We do not expect this profit to be maintained through Q3 and Q4 of 2019. Some costs for Smiths Lawn are not included here, nor are the National Championships and Winter Newsletter costs

That said, we hope you will agree, that we're heading in the right direction. Thank you.