

## FUNDING THE ASSOCIATION

### Current status and options

For the last two years the Association has run at a loss where the expenses of the Association have exceeded subscription and other income. It was agreed at the 2018 AGM that none of the 2018 income would be transferred to the Bell Restoration or Training Funds in order to reduce the pressure on the Associations unrestricted reserves. It will be necessary, however, to address the situation from 2019 and this paper sets out some background and various options.

Table 1 below shows the income and expenditure as shown by the Association accounts for the last five years. While there were issues that affected the detailed accuracy of the accounts in 2013 and 2014 (and 2014 saw the Association host the Central Council which overall had a beneficial effect on the accounts, not least due to reduced expenses for our CC representatives) the accounts for 2015-17 are more robust.

	2017	2016	2015	2014	2013
<b>Income</b>					
Subscriptions	£10,446.00	£9,675.00	£10,414.00	£9,928.00	£10,402.62
Books	£666.23	£479.75	£218.48	£686.74	£1,131.20
Other income/sales	£209.96	£418.65	£1,181.77	£367.19	£30.00
Clothing	£247.92	£39.00	£67.30	£29.62	£0.00
Other items	£5.50	£131.00	£400.00	£1,482.20	£1,400.00
Peal fees	£501.00	£453.00	£461.50	£462.50	£433.50
Advertising	£730.00	£490.00	£90.00	£672.25	£557.50
	<b>£12,806.61</b>	<b>£11,686.40</b>	<b>£12,833.05</b>	<b>£13,628.50</b>	<b>£13,954.82</b>
<b>Expenditure</b>					
Books etc	£229.76	£803.54	£1,079.81	£582.81	£2,336.52
Handbook	£2,294.00	£2,294.00	£2,145.00	£2,151.36	£1,995.00
Room hire	£124.75	£80.00	£80.00	£340.00	£80.00
Insurance	£1,909.80	£1,922.28	£1,882.87	£1,917.66	£1,917.66
Officer expenses	£431.91	£849.32	£630.87	£423.02	£308.16
Mobile ring costs	£1,902.00	£0.00	£0.00	£0.00	£0.00
District expenses	£1,022.40	£980.45	£746.75	£1,597.22	£575.00
Advertising	£0.00	£0.00	£0.00	£464.05	£505.82
General expenses	£1,291.34	£770.27	£1,077.58	£114.08	£199.00
CC expenses	£1,581.58	£819.60	£322.20	£10.00	£337.00
CC subscriptions	£150.00	£150.00	£150.00	£150.00	£125.00
Transfer to Training fund	£2,418.75	£2,603.50	£2,416.50	£0.00	£0.00
Transfer to BRF	£2,418.75	£2,603.50	£2,416.50	£0.00	£0.00
Depreciation / bank fees	£0.00	£108.00	£30.00	£302.62	£33.62
Net cost of AGM	£0.00	£99.40		£0.00	
Other			£73.85		
	<b>£15,775.04</b>	<b>£14,083.86</b>	<b>£13,051.93</b>	<b>£8,052.82</b>	<b>£8,412.78</b>
<b>Profit (loss)</b>	<b>£2,968.43</b>	<b>£2,397.46</b>	<b>£218.88</b>	<b>£5,575.68</b>	<b>£5,542.04</b>

Table 1

## Expenses

In relation to expenses, these vary somewhat from year to year but there are a number of items to note

1. It appears that the overall cost of buying books during the period 2013-17 (£5032.44) significantly exceeds the income derived from books (£3182.40). This is probably due to differences in attribution of income between different Districts but does need to be explored
2. The expenses paid to CC reps has increased significantly over this period (even excluding the very low expenditure in 2014). It is important that the Association is represented well on the Council and there have been a number of high cost meetings during this period, notably the meeting in Edinburgh in 2017 where travel and accommodation costs were higher. However, it is a significant cost pressure.
3. The work on developing a mobile ring using the bells kindly donated by David Cawley has already incurred significant expense of £1902 during 2017.
4. The decision of the meeting to continue providing a Handbook free of charge to all members means that it would be imprudent to assume any cost saving in relation to the Handbook. The cost of the Handbook in 2017 amounted to 18% of **total** income raised that year (22% of subscription income). This was almost the same amount that was transferred into the Bell Restoration Fund.

## Income

In relation to subscription income Table 2 below shows members in the various subscription categories

	2013	2014	2015	2016	2017
Adult	770	729	692	697	702
New Life	2	1	2	0	4
>65+25y	209	230	247	262	185
Junior	74	76	83	73	79
Student	15	17	17	6	5
Senior	372	367	378	413	424
<b>Total*</b>	<b>1442</b>	<b>1420</b>	<b>1419</b>	<b>1451</b>	<b>1399</b>
Paying full	770	729	692	697	702
Paying half	461	460	478	492	508
Paying nothing	209	230	247	262	185
Paying once	2	1	2	0	4

Table 2

\*Note that existing Life Members are not shown in this table since they do not and cannot contribute to subscription income.

We can see that the overall membership has fallen slightly but the number paying a full subscription has fallen by 10% with a commensurate increase in senior members (who pay 50% of the normal subscription). Over the five-year period a further 16% of senior members took advantage of the concession that gives them free membership having attained 25 years continuous membership of the Association.

In 1979 there were 631 Adult members paying a full subscription and only 54 Senior members. The demographic of our society and of ringing has changed significantly and a situation where about half of our members pay a reduced subscription or none at all while retaining all of the benefits is, regrettably, not sustainable.

### **Options for change**

There are a number of issues in relation to expenditure which were outlined above that should be examined further but most are unlikely to have a significant impact. The members have made plain the fact that they consider a free copy of the Handbook to be an important membership benefit. Even if only half of members wished to receive the Handbook this not reduce the cost by 50% but by a marginal amount. The costs associated with developing the Mobile Belfry should not be unexpected, even though they are a significant pressure on the Association's general fund.

Broadly speaking there are 8 options for increasing income or reducing expenditure:

#### Increasing income

1. An increase in the base subscription to £12 (or more, but a rise of more than £2 is likely to lose members)
2. Removal of all concessionary rates so that **all** (non-life) members pay £12 per annum, including members under the age of 18 years old.
3. Removal of concessionary rates for senior members, including the removal of free membership for those who are over 65 years old and have been members for 25 continuous years (but leaving the concessionary rate for "juniors")
4. A combination of the above

#### Reducing developmental / charitable expenditure

1. No longer paying any subscription income into the Bell Restoration Fund
2. No longer paying any subscription income into the Training Fund
3. Both of the above
4. Abandoning any commitment to expend Association funds on the mobile ring project (and fundraising separately for this project)

A model showing the effect of each of these, and combinations of these schemes is shown on the next page (Table 3).

It must be noted that while the level of subscriptions is a simple matter for the AGM, the concessionary rates are enshrined in the Association rules. Any change will therefore need to be submitted by September 1<sup>st</sup> for Districts to discuss ahead of a vote at the AGM next Easter Monday.

		2017 outturn	Increase to £12 same concessions	£10 sub but remove <b>all</b> concessions	£10 sub but have <b>only</b> the <18yo concession	£12 and only <18 concession		
Membership category	Adult Full	693	£6,930.00	£8,316.00	£6,930.00	£6,930.00	£8,316.00	
	Adult Half	9	£45.00	£54.00	£45.00	£45.00	£54.00	
	Life	110	£0.00		£0.00	£0.00	£0.00	
	New Life	4	£600.00	£720.00	£600.00	£600.00	£720.00	
	>65 +25y	185	£20.00		£1,850.00	£1,850.00	£2,220.00	
	Junior Full	70	£350.00	£420.00	£700.00	£350.00	£350.00	
	Junior Half	9	£22.50	£27.00	£45.00	£22.50	£22.50	
	Student Full	5	£25.00	£30.00	£50.00	£50.00	£60.00	
	Student Half	0	£0.00	£0.00	£0.00	£0.00	£0.00	
	Senior Full	420	£2,110.00	£2,520.00	£4,200.00	£4,200.00	£5,040.00	
	Senior Half	4	£10.00	£12.00	£20.00	£20.00	£24.00	
	<b>Total Practising</b>		<b>£10,112.50</b>	<b>£12,099.00</b>	<b>£14,440.00</b>	<b>£14,067.50</b>	<b>£16,806.50</b>	
		Expenses 2017		<b>£15,775.04</b>	<b>£15,775.04</b>	<b>£15,775.04</b>	<b>£15,775.04</b>	<b>£15,775.04</b>
		Expenses 2017 minus BRF & Training		<b>£13,356.29</b>	<b>£13,356.29</b>	<b>£13,356.29</b>	<b>£13,356.29</b>	<b>£13,356.29</b>
	Expenses 2017 minus BRF		<b>£10,937.54</b>	<b>£10,937.54</b>	<b>£10,937.54</b>	<b>£10,937.54</b>	<b>£10,937.54</b>	
	Profit / loss 2017		<b>£5,662.54</b>	<b>£3,676.04</b>	<b>£1,335.04</b>	<b>£1,707.54</b>	£1,031.46	
	Profit / loss 2017 minus BRF		<b>£3,243.79</b>	<b>£1,257.29</b>	£1,083.71	£711.21	£3,450.21	
	Profit / loss 2017 minus BRF & Training		<b>£825.04</b>	£1,161.46	£3,502.46	£3,129.96	£5,868.96	
No mobile ring expense	Profit / loss 2017		<b>£3,760.54</b>	<b>£1,774.04</b>	£566.96	£194.46	£2,933.46	
	Profit / loss 2017 minus BRF		<b>£1,341.79</b>	£644.71	£2,985.71	£2,613.21	£5,352.21	
	Profit / loss 2017 minus BRF & Training		£1,076.96	£3,063.46	£5,404.46	£5,031.96	£7,770.96	

Table 3

Note that figures in red are negative (i.e. an expense or loss). What this analysis shows is that to avoid making a loss without affecting our investment in training and bell restoration we need to increase the subscription to £12 and remove all concessions apart from the 50% rate for junior members.

Even if we stop all work on the mobile ring project until funds for it are raised separately and increase the base subscription to £12 (while retaining all of the concessionary rates) then we would still be running at a loss.

We could, of course, significantly reduce our level of investment in training and bell restoration compared to the past. Although the BRF is healthy, the lack of ringers shown in the 2017 Survey suggests that we need to be investing in recruitment and training to secure a healthy future for ringing.

We therefore ask the General Committee to endorse **both** an increase in the annual subscription to £12 **and** the necessary rule changes to remove the concessionary rates for students of 18 years old or more and for members of 65 years old and more.

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