

Finance Report 2018/19

The BSE is extremely grateful for the continuing support from our independent accountant Caroline Sharp, Caroline Barker and the Society's new Director Jo Sopala who worked relentlessly at very short timeframes to provide members with these accounts for review ahead of the AGM.

It is with deep regret that I announce the unforeseen misappropriation of the Society funds which amounted to £160k of membership funds in the year under review. An independent investigation has been carried out by Sayer Vincent LLP Chartered Accountants, and a detailed report with future recommendations provided. All recommendations are being implemented in the office to mitigate future risks going forward. In addition, a police criminal investigation is currently taking place.

The overall operating adjusted results of the Society for fiscal year 2018-19 showed a deficit of £302k, of this, £16k relates to restricted funds donated to SUN heart, our partners working on the Echo in Africa humanitarian project. Therefore, represented within the unrestricted deficit amounting up to £284k are:

- £160k misappropriated funds
- £75k website development costs written off
- £30k additional staffing/consultancy costs
- £19k more legal fees in year

The total income for the 2018-19 fiscal year shows a £10k decrease compared with 2017-18. Membership was down by £53k, mainly because £56k of subscriptions received before 31 March 2019 for 2019/20 membership year have been deferred. The income from annual conference and other meetings increased by £57k when compared to 2017-18. However, overall conference costs were significantly up by £126,000 **mostly due to higher exhibition venue costs**. Income from accreditation was down by £30k, this was offset by accreditation expenditure reducing by £50k. The reduction in accreditation was mostly due to timing of written exam sessions. The Society ran one less written accreditation examination than last financial year.

The overall expenditure, apart from misappropriation has gone up. There was £86k of website costs, seed fund donation amounting to £21k towards Echo in Africa. Stabilisation of the BSE office required hiring of a Strategy Consultant (£30k) and recruitment new staff (£16k), but a saving on salaries of £15k. The Society also faced a lengthy legal case (£26k) which added to the overall expenditure seen.

Indeed, it has been an extremely busy year for the BSE office staff. Our accounting controls processes are more robust, providing greater accuracy for management reporting, and policies have been put in place to mitigate future risks going forward.

This concludes the summary of key financial activities for 2018-2019, the finalised detailed information will be presented to Companies House by 31.12.2019 and Charities Commission by January 2020. A full set of Accounts & Trustees' Report is available on request via the BSE office.

We encourage all members to attend the annual conference and would welcome any suggestions either via the office or in person at the AGM.

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £ Restated
Income from:						
Donations	-	-	-	-	-	-
Charitable activities						
Membership	273,297	-	273,297	326,651	-	326,651
Annual conference and meetings	312,768	-	312,768	256,118	-	256,118
Accreditation	89,214	-	89,214	119,224	-	119,224
Echo in Africa	-	48,902	48,902	-	33,345	33,345
Other income	781	-	781	-	-	-
Bank interest	57	-	57	17	15	32
Total income	676,117	48,902	725,019	702,010	33,360	735,370
Expenditure on:						
Charitable activities						
Membership	231,004	-	231,004	197,684	-	197,684
Annual conference and meetings	395,797	-	395,797	269,877	-	269,877
Accreditation	161,736	-	161,736	211,699	-	211,699
Echo in Africa	21,523	65,143	86,666	-	17,965	17,965
Research and training	7,716	-	7,716	9,285	-	9,285
Misappropriated funds	160,305	-	160,305	34,159	-	34,159
Total expenditure	978,081	65,143	1,043,224	722,704	17,965	740,669
Net income before net gains on	(301,964)	(16,241)	(318,205)	(20,694)	15,395	(5,299)
Net gains on investments	17,560	-	17,560	9,991	-	9,991
Net (expenditure)/ income for the year	(284,404)	(16,241)	(300,645)	(10,703)	15,395	4,692
Net movement in funds	(284,404)	(16,241)	(300,645)	(10,703)	15,395	4,692
Reconciliation of funds:						
Total funds brought forward	778,626	17,706	796,332	789,329	2,311	791,640
Total funds carried forward	494,222	1,465	495,687	778,626	17,706	796,332

Sitali Mushemi, Treasurer