

M25 Consortium Annual General Meeting 6 June 2008

Update on Consortium Finances

Financial Review

As reported at the January 2008 meeting the Consortium will operate as a single entity from 1st August 2008. The separate invoices for cpd25, Systems Team and M25 will be consolidated into a single subscription invoice from 2008/9 onwards.

The Consortium is asked to note this arrangement.

Funding future developments

In 2008/9 the Consortium will undertake various projects, some of which require additional funding. The resulting increase in expenditure can be met from a 3% increase in subscriptions and from the reserves. The decision to use some of the reserves as a one-off exercise was considered to be fairly low-risk by the Steering Group as the reserves are currently healthy, however it is not sustainable to fund services from the reserves on an ongoing basis and alternatives need to be considered.

One option is to increase subscriptions at a higher rate than inflation to match the growth in the Consortium's activities and services. As an alternative to this the Steering Group has discussed a modest increase, for example 20%, to cpd25 course fees in order to generate a surplus and so provide a cross-subsidy. This would reflect the fact that there is input to cpd25 from various elements of the Consortium, e.g. the Systems Team and the Steering Group and would be in keeping with the Consortium's move to a single financial entity. Given that cpd25 fees are currently set only to cover direct costs it is anticipated that they would still remain relatively low.

The Steering Group would welcome the views of the members on these options.

Finances 2007/08

As we approach the end of the current financial year the Consortium is set to breakeven.

The £10,000 grant to the 'Building on Success: Adding Value to AIM25' project is due to be paid shortly. This was committed in 2006/07 and will be met from the surplus from that financial year.

Caroline Lloyd, Treasurer
28th May 2008