

**M25 Consortium Annual General Meeting
18 June 2009**

Update on Consortium Finances

1. Auditing procedures

The Steering Group has been advised that small charitable companies are subject to an independent examination of financial statements (as distinct from a full audit) and recommends that Kingston Smith LLP is appointed to carry this out at a cost of £3,000+VAT.

Kingston Smith LLP was selected from a number of companies and has been advising the Steering group on various issues including obtaining company and charity status and VAT matters. They have provided a reliable and professional service in these areas. The appointment would be reviewed after 3 years.

Members are asked to approve this arrangement.

2. Finances 2008/09

As noted in the Chair's report we are budgeting for a deficit in 2008/9. This is expected to be approximately £8,000 and will be met from reserves. It reflects the investment in the Director's Room and other activities that will improve the services for members and the communities which we support.

3. Reserves

The Consortium currently has reserves of £130,600. £8,000 will be required for the predicted deficit at the end of 2008/9 and a further £49,000 to meet the shortfall between income and expenditure in 2009/10.

The Steering Group has agreed that it is sensible to use the reserves to support the Director's Room and other web-based projects for the next two years whilst recognising that it is not sustainable to continue to rely on reserves. The Web Services post is a two year appointment and we plan to return to a balanced budget when this ceases in 2010/11.

As noted item 7.2 the reserves policy will be reviewed in 2009/10.

Caroline Lloyd, Treasurer

12th June 2009