

**AEV AGM – 23 September, Business Design Centre**  
**AEV Treasurer's Report - Delivered by Jeremy Rees, AEV Treasurer**

I am delighted to report that AEV Ltd is in a strong financial position. We moved from a loss in 2019 of (£5,341) to a profit of £17,052 in 2020, so a swing of £22,393 with reserves on the balance sheet at 31<sup>st</sup> December 2020 of £151,721, all of which were held in bank deposits.

This is an amazing achievement considering that we, like our members, were unable to run our events from March 2020, especially as the 2020 AEV budget assumed a £10,000 profit contribution from the AEV Conference in order to break even. As I mentioned in my report to members at the last AGM, at the start of the Covid period we took a prudent approach which included temporary scaling back on some non-essential spend, freezing headcount and utilising Government grants, where available. Due to these cost controls, we were able to cover all our costs, without the budgeted contribution from the conference.

You will recall that the loss in 2019 arose as the Board decided, given the high level of reserves, to invest in 3 non-standard trading items: jointly funding an economic impact study, AEV's 15<sup>th</sup> birthday party and the working group chairs' lunch. Stripping out these 3 items, which total £13,406, there was an underlying trading profit of £8,065.

Looking at the 2020 numbers, turnover year on year was down by £16,000. We were not able to run the AEV Conference or Chairman's Reception, so revenue from events was down by £44,000 when compared to 2019. However, on the flip side, membership revenue increased by £28,000. With our annual membership renewal cycle in January, we were fortunate to have secured most of the 2020 membership renewals before the pandemic. New members revenue at £7,637 was in line with 2019. There were 4 new members who joined during 2020: ICC Belfast, Tobacco Doc, The HAC & Emirates Old Trafford. As they joined towards the end of the year, only a small proportion of their membership revenue could be recognised in the 2020 financial year. In terms of membership numbers, we started the year with 45 members. 4 new members joined during the year and 1 membership lapsed, so there were 48 members at year end.

Moving to Cost of sales, this reduced by £29,000 when compared to 2019 due, in the main to not running our events.

So, despite the cancellation of all our events, which deprived us of our budgeted £10,000 contribution, we were able to post a profit for the year. This was because there were £20,000 of budgeted savings on secretariat costs, which more than compensated for the lost profit from our cancelled events. The funding gap was budgeted at £8,600. However, due to the significant reduction in secretariat fees by £20,000 there was no funding gap. The funding gap measures the financial contribution required from events to cover our day-to-day secretariat activities. EIA secretariat savings came from the use of flexi furlough for the position of AEV Marketing Assistant and in finance, a government grant and general cost savings on travel etc, as a direct result of the pandemic, with staff working from home almost continually from March 2020 to date.

Turning to the balance sheet:

Debtors at £146,187 were all within terms and represented, in the main 2021 membership fees invoiced in 2020, all of which have now been paid.

Cash at £271,221 was held in cash, in interest earning short term notice deposit accounts.

The credit figure of £265,804 was made up of: £205,000 of the deferred 2021 membership fees, £26,000 of VAT paid in Q1 to HMRC and £33,608 of trade creditors, mainly the EIA's Q4 secretariat fee supplier invoice paid in Q1 2021.

Our profit for the year of £17,052 brings our reserves at the 31/12/2020 to £151,721, made up of a £70,000 capital reserve and £81,721 investment fund.

In terms of 2021, as a self-funding trade association, we are mindful of our reserves. I want to reassure members that based on our current forecast for 2021, we feel there are sufficient reserves to weather the storm of Covid-19.