

THE CONWAY CLUB
TREASURER'S REPORT AND ACCOUNTS
for the year ended
31st December 2009



THE CONWAY CLUB

Report of the Treasurer for the year ended 31st December 2009

On behalf of the Conway Club Committee, I am pleased to present the Treasurer's Report and Accounts for the year ended 31st December 2009.

First of all let me say the Club's financial affairs in 2009 continued to be badly effected by the fluctuating stock market and continuing business difficulties with companies generally paying lower dividends. I would also remind members that we showed the actual market value of our investments in the accounts and these now show an increase of 8% in value over 2008. Unfortunately, we have several badly performing holdings and I will report the action that has been taken on these to the AGM in October 2010. I must report however that we made no changes to our shareholdings in 2009 as individual values remained too low to contemplate sale.

2009 was a particularly eventful year for the Club and with a turnover in excess to £300,000 compared to the more normal £35,000 to £40,000, proved to be something of a nightmare exercise for your treasurer and Reporting Accountant. An example of this is that we handled in excess of £12,000 in cash over the Liverpool weekend, all of which was carried to the bank through the streets without an escort!! Here I must pay tribute to and thank Clive Plummer for his efforts in completing these accounts for presentation to you.

When starting to organise the 150th anniversary celebrations in Liverpool, your committee recognised that this would be a never to be repeated occasion and agreed that up to £6,000 of club funds could be spent on making it the splendid weekend that it turned out to be. The accounts before you do not break out the profitability or otherwise of the various events but I can report that each of them, including the actual dinner for nearly 800 people either broke even or made a small contribution to the overall cost of the weekend and in the end we had a deficit under budget of nearly £4,000. Again, these accounts do not itemise all the factors which make up this expenditure but examples are the cost of internal fixtures in the coffee shop at Plas Newydd which will remain in place for years to come, and the costs of the wonderful service in Liverpool Cathedral.

The Shop had a very good year, mainly due to the efforts of David Hilton and his team during the Liverpool weekend. However, we were still carrying a stock value in excess of £12,000 at the end of 2009 and steps will be taken to reduce this in 2010.

We must also be grateful to all those Conway's who made donations in 2009 which helped our finances. Not least of these was a very generous donation from our members in Australia.

Unfortunately, our generally reduced income from investments and the fact that fund raising efforts were felt to be inappropriate at the prestigious events we held at the House of Commons and Liverpool, we ended 2009 with something of a cash-flow crisis. We are indebted to our two major creditors for their patience on waiting for payment until our cash flow improved in 2010.

Notwithstanding the above comments, I am happy to report that in my opinion the Club remains on a financially sound footing and that I hope to be able to report much better investment figures in the 2009 accounts.

The Accounts are attached, and I hope they are sufficiently clear and detailed to allow you to understand the state of the Club's finances. The Committee recommends these Accounts to the Members for their approval.

CHRIS SMITH
Honorary Treasurer

6 October 2010

THE CONWAY CLUB

Income and Expenditure Account for the year ended 31st December 2009

	Notes	2009	2008
Income			
Investment income - Taxed	1	1,495	2,284
Bank interest - net		331	22
Shop surplus	2	4,137	684
Cocktail party - surplus	3	111	23
Annual Dinner - surplus	4	-	782
Subscriptions		209	210
Donations		1,000	185
Fund raising		<u>-</u>	<u>1,370</u>
		7,283	5,560
Expenditure			
Newsletter		8,420	6,949
150th Anniversary Celebration - deficit	4	3,953	-
Secretarial expenses		304	222
Depreciation	1/8	505	881
Sundry costs	5	<u>491</u>	<u>439</u>
		<u>13,673</u>	<u>8,491</u>
Operating deficit before taxation		(6,390)	(2,931)
Taxation	11	<u>4</u>	<u>-</u>
Deficit for the year		(6,394)	(2,931)
Change in market value of investments	6	<u>2,521</u>	<u>(25,150)</u>
Total deficit recognised for the year		<u>£(3,873)</u>	<u>£(28,081)</u>

The notes on pages 4 to 7 form part of these accounts.

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Balance Sheet 31st December 2009

	Notes	2009	2008
Accumulated fund at 1st January 2009		48,731	76,812
Total deficit recognised for the year		(3,873)	(28,081)
Accumulated fund at 31st December 2009		£44,958	£48,731
		=====	=====
Representing assets employed:			
Fixed assets:			
Investments at market value	6	32,284	29,763
Silver and trophies	7	1,000	1,000
Fixtures and office equipment	8	<u>1,622</u>	<u>1,077</u>
		34,906	31,840
Current assets			
Shop stock		12,122	10,093
Debtors	9	875	2,384
Cash at bank		<u>3,463</u>	<u>26,258</u>
		16,460	38,735
		-----	-----
Current liabilities			
Creditors	10	6,504	21,844
Taxation	11	<u>4</u>	<u>-</u>
		6,508	21,844
		-----	-----
Current assets less current liabilities		<u>9,952</u>	<u>16,891</u>
Net Assets		£44,858	£48,731
		=====	=====

Approved on behalf of the Committee
on 6 October 2010

TOM MASON
President

CHRIS SMITH
Honorary Treasurer

The notes on pages 4 to 7 form part of these accounts.

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Notes to the Accounts

1. Accounting policies

Investments

Investments are stated at market value as at the Balance Sheet date.

Investment income

Investment income has been shown as the actual income received.

Depreciation

Depreciation is provided to write off the cost of office equipment and other fixed assets evenly at the rate of 25% per annum.

Taxation

The Club is liable to taxation on its untaxed investment income, interest received and capital gains.

2. Shop surplus

	2009	2008
Sales	12,366	3,302
Stock at 1st January 2009	10,093	5,634
Purchases and expenses	<u>10,258</u>	<u>7,077</u>
Stock at 31st December 2009	20,351	12,711
	<u>12,122</u>	<u>10,093</u>
Sales at cost	<u>8,229</u>	<u>2,618</u>
Surplus for the year	£4,137	£684
	=====	=====

The net costs of packaging and postage have been included in sales at cost.

3. Cocktail party

	2009	2008
Income	4,560	1,203
Costs	<u>4,449</u>	<u>1,180</u>
Surplus	£111	£23
	=====	=====

4. 150th Anniversary Celebration and Annual Dinners

	2009	2008
Total Income	144,165	7,346
Total Costs	<u>148,118</u>	<u>6,564</u>
(Deficit)/Surplus	£ (3,953)	£782
	=====	=====

The 150th Anniversary Celebration summary includes the total of all income and expenditure in respect of hotel accommodation and dinner costs at the Adelphi Hotel, Liverpool; the trip to Plas Newydd; the river cruise and wreath laying; and the service of commemoration at Liverpool Cathedral.

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Notes to the Accounts

5. Sundry costs	2009	2008
Mizzen Mast electricity	139	-
Club meetings	218	311
British Legion and other wreaths	50	100
MNA Memorial Service	70	21
Bank charges	<u>14</u>	<u>7</u>
	£491	£439
	=====	=====
 6. Investments		
	2009	
Equity funds	Cost	Market Value
35 SkyePharma ordinary at £1	2,228.21	31
440 British Airways ordinary at 25p	2,437.84	825
768 Royal Bank of Scotland Group Plc ordinary at 25p	5,147.72	224
3,500 Legal & General Group ordinary at 2.5p	4,053.40	2815
31,000 Electric Word ordinary at 1p	2,437.30	1201
525 Barclays ordinary at 25p	3,018.39	1448
1,000 Baillie Gifford Shin Nippon ordinary at 10p	3,007.85	1155
785 BP ordinary at \$0.25	5,218.31	4715
7,300 Pubs 'N' Bars ordinary at 20p	3,230.77	-
337 Drax Group Plc ordinary at 11.55172p	3,169.85	1393
1,000 Tesco ordinary at 5p	4,198.80	4275
2,750 Chesnara Plc ordinary at 5p	5,092.83	5431
1,000 White Young Green ordinary at 5p	4,693.66	65
1,500 BT Group ordinary at 5p	4,465.98	2024
4,250 Advantage Prop Inc Trust Plc ordinary at 1p	5,077.35	-
	-----	-----
	57,478.26	25,062
 Unit Trusts		
1,600 Jupiter Unit Trust	3,894.32	6,682
	-----	-----
 Portfolio at 31st December 2009	£61,372.58	£32,284
	=====	=====

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Notes to the Accounts

6. Investments [continued]

Portfolio at 31st December 2009	2009	2008
Investments at cost	61,373	61,373
	=====	=====
Investments at market value	32,284	29,763
	=====	=====
Unrealised loss at 31st December 2009 - Cumulative	£ (29,089)	£ (31,610)
	=====	=====

The decrease of £2,521 in the cumulative unrealised loss has been credited back to the Income and Expenditure account on page 2.

7. Silver and trophies

These are valued at a nominal £1,000 for the purposes of the accounts.

8. Fixtures and office equipment

Cost	2009
At 31st December 2008	2,923
Addition - Showcase	<u>1,050</u>
At 31st December 2009	£3,973

Depreciation	
At 31st December 2008	1,846
Provision for year	<u>505</u>
At 31st December 2009	£2,351

Net book value	
At 31st December 2009	£1,622
	=====
At 31st December 2008	£1,077
	=====

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Notes to the Accounts

9. Debtors	2009	2008
Investment income	-	34
150th Anniversary Celebration – Deposit	-	1,965
Annual Dinner 2010 - Deposit	875	-
Shop Sales not banked	-	335
Secretarial float	-	50
	<u>£875</u>	<u>£2,384</u>
	=====	=====
10. Creditors	2009	2008
150th Anniversary Celebration - Receipts in advance	-	19,855
Amounts due for shop stocks and accrued expenditure	225	10
Amounts due for newsletter costs	4,010	-
Amounts due for new showcase	1,050	-
Deferred expenditure – Balance of PB Kingsford legacy	<u>1,219</u>	<u>1,979</u>
	<u>£6,504</u>	<u>£21,844</u>
	=====	=====

The original bequest from Paul Kingsford amounted to £3,000. He expressed a wish that the funds be utilised to purchase drinks at the Annual Dinner. At four dinners up to 2009, port and associated corkage costs amounted in total to £1,781. The balance is carried forward, to be utilised on the occasion of future Annual Dinners; with thanks to Paul Kingsford as a mark of his generosity.

11. Taxation

There is a provision for taxation of £4 arising on interest received in the year. This represents tax on the difference in the corporation tax rate of 21%, and that of the 20% basic rate of tax deducted from bank interest received. Investment income is received with a 10% tax credit, with no further liability due.

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Statement of Committee's Responsibilities for the year ended 31st December 2009

The Committee is required to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Club and of the income expenditure of the Club for the period then ended.

In preparing those accounts they are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Club will continue in operation.

The Committee is also responsible for:

- keeping proper accounting records;
- safeguarding the Club's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square · Temple Street · Liverpool · L2 5RH

ACCOUNTANTS' REPORT TO THE COMMITTEE ON THE UNAUDITED ACCOUNTS OF THE CONWAY CLUB FOR THE YEAR ENDED 31ST DECEMBER 2009

In accordance with the terms of our engagement, we have compiled the accounts of the Club, which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes, from the accounting records and information and explanations you have given us.

This report is made to the Club's Committee, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the Club's Committee that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Club and the Club's Committee, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on page 8 for the year ended 31st December 2009 your duty to ensure that the Club has kept proper accounting records and to prepare accounts that give a true and fair view.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

CLIVE PLUMMER
MITCHELL CHARLESWORTH
Chartered Accountants

6 October 2010