

THE CONWAY CLUB
TREASURER'S REPORT AND ACCOUNTS
for the year ended
31st December 2010



THE CONWAY CLUB

Report of the Treasurer for the year ended 31st December 2010

On behalf of the Conway Club Committee, I am pleased to present the Treasurer's Report and Accounts for the year ended 31st December 2010.

The year was one of consolidation following the great activity surrounding the 150th anniversary celebrations in 2009 which, although resulting in a lower loss than had been budgeted for, had a significant effect on our cash flow. This resulted in our being unable to meet all of our commitments, particularly publication of the 2009 Autumn Cadet and provision of a new cabinet in which to display the Club Silver in the Chapel at Birkenhead.

In order to meet those commitments and fund expenses for the year, including a special and extra edition of the Cadet, your committee decided to launch a special appeal on which I comment further in this report. In order to ensure we had sufficient funds in the early part of the year, it was also decided to dispose of some investments after taking advice from our investment advisor at Fiske and Co. Following the huge success of the appeal we were then able to re-invest a substantial sum in more secure companies, again following the advice of our investment advisor.

We managed to end the year in a much stronger financial position with sufficient disposable funds to meet our known commitments and a more secure investment portfolio, which also benefited from the general increase in worldwide stock market values.

As previously stated, the Presidential appeal was very well received and raised the amazing sum of £15,500 and our sincere thanks must be extended to the many members who contributed. As a potentially more permanent way of ensuring that we continue to keep members informed by publishing the Cadet, your committee also decided to launch the "Teaser" 100 Club, which although in its early stages, still managed to provide net income of £1000 in the year.

Other income was about average as were expenses with the exception of the Cadet publication on which we paid the balance due for the Autumn 2009 edition and the extra anniversary edition in Spring 2010.

The Shop had a disappointing year, although not altogether surprising following the performance in the 150th anniversary year. A review of stocks was carried out with a decision to write down the cost by £801. We have to thank Rob Tubb for taking time out of his busy life to take over responsibility for the shop.

I must add a sincere thank you to Clive Plummer for also taking the time to make sense of my figures

The Accounts as approved by your committee are attached and I hope they are sufficiently clear and detailed to allow you to understand the state of the Club's finances. I am happy to report that in my opinion the Club remains on a financially sound footing.

CHRIS SMITH
Honorary Treasurer

6 September 2011

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Income and Expenditure Account for the year ended 31st December 2010

	Notes	2010	2009
Income			
Investment income - Taxed	1	1,284	1,495
Bank interest - net		-	331
Shop (deficit)/surplus	2	(1,394)	4,137
Cocktail party - surplus	3	350	111
Annual Dinner - surplus	4	1,575	-
Subscriptions		300	209
Appeal and donations	5	16,787	1,000
Teaser "100" Club - surplus	6	<u>1,000</u>	<u>-</u>
		19,902	7,283
Expenditure			
Newsletter		11,865	8,420
150th Anniversary Celebration - deficit	4	-	3,953
Secretarial expenses		318	304
Depreciation	1/10	774	505
Sundry costs	7	<u>586</u>	<u>491</u>
		13,543	13,673
Operating surplus/(deficit) before taxation		6,359	(6,390)
Taxation	13	<u>-</u>	<u>4</u>
Surplus/(deficit) for the year		6,359	(6,394)
Surplus on disposal of investments		731	-
Change in market value of investments	8	<u>2,602</u>	<u>2,521</u>
Total surplus/(deficit) recognised for the year		<u>£ 9,692</u>	<u>£ (3,873)</u>

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

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Balance Sheet 31st December 2010

	Notes	2010	2009
Accumulated fund at 1st January 2010		44,858	48,731
Total deficit recognised for the year		<u>9,692</u>	<u>(3,873)</u>
Accumulated fund at 31st December 2010		<u>£54,550</u>	<u>£44,858</u>
Representing assets employed:			
Fixed assets:			
Investments at market value	8	33,649	32,284
Silver and trophies	9	1,000	1,000
Fixtures and office equipment	10	<u>848</u>	<u>1,622</u>
		35,497	34,906
Current assets			
Shop stock		10,318	12,122
Debtors	11	1,060	875
Cash at bank		<u>9,020</u>	<u>3,463</u>
		20,398	16,460
Current liabilities			
Creditors	12	1,345	6,504
Taxation	13	<u>-</u>	<u>4</u>
		1,345	6,508
Current assets less current liabilities		<u>19,053</u>	<u>9,952</u>
Net Assets		<u>£54,550</u>	<u>£44,858</u>

Approved on behalf of the Committee
on 6 September 2011

TOM MASON
President

CHRIS SMITH
Honorary Treasurer

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

THE CONWAY CLUB

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

	2010	2009
Sales	2,354	12,366
Stock at 1st January 2010	12,122	10,093
Purchases and expenses	<u>1,944</u>	<u>10,258</u>
Stock at 31st December 2010	<u>14,066</u> <u>10,318</u>	<u>20,351</u> <u>12,122</u>
Sales at cost	<u>3,748</u>	<u>8,229</u>
(Deficit)/surplus for the year	£(1,394) <u> </u>	£ 4,137 <u> </u>

The net costs of packaging and postage have been included in sales at cost. A review of the stocks resulted in a revaluation provision of £801 which forms part of the deficit for the year.

3. Cocktail party

	2010	2009
Income	2,300	4,560
Costs	<u>1,950</u>	<u>4,449</u>
Surplus	£ 350 <u> </u>	£ 111 <u> </u>

The surplus includes fundraising at the function.

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Notes to the Accounts

4. Annual Dinner and 150th Anniversary Celebration

	2010	2009
Total Income	6,789	144,165
Total Costs	<u>5,214</u>	<u>148,118</u>
Surplus/(deficit)	£ 1,575	£(3,953)
	<u>=====</u>	<u>=====</u>

The surplus includes all fundraising at the function.

The 150th Anniversary Celebration summary for the previous year 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.

5. Appeal and donations

The Club benefited from a generous response to the Committee's Appeal, resulting in contributions of £15,582 being received. Other donations of £1,205 led to a total credit for the year of £16,787.

6. Teaser "100" Club

Total income of £2,000 was generated in the first period of operation. Prizes of £1,000 were drawn, resulting in a net surplus of £1,000 being generated.

7. Sundry costs

	2010	2009
Mizzen Mast electricity	-	139
Club meetings and travel expenses	-	218
British Legion, MNA Memorial Service and other wreaths	185	120
Silver valuation and insurance	401	-
Bank charges	<u>-</u>	<u>14</u>
	£ 586	£491
	<u>=====</u>	<u>=====</u>

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Notes to the Accounts

8. Investments

	2010 Cost	Market Value
Equity funds		
35 SkyePharma ordinary at £1	2,228.21	11
768 Royal Bank of Scotland Group Plc ordinary at 25p	5,147.72	486
31,000 Electric World ordinary at 1p	2,437.30	1,473
525 Barclays ordinary at 25p	3,018.39	1,379
1,000 Baillie Gifford Shin Nippon ordinary at 10p	3,007.85	1,599
785 BP ordinary at \$0.25	5,218.31	3,658
2,750 Chesnara Plc ordinary at 5p	5,092.83	6,476
3,000 BT Group ordinary at 5p	6,585.66	5,427
500 Scottish & Southern Energy at 50p	<u>6,016.41</u>	<u>6,145</u>
	38,752.68	26,654
Unit Trusts		
1,600 Jupiter Unit Trust	<u>3,894.32</u>	<u>6,995</u>
Portfolio at 31st December 2010	£42,647.00	£33,649
	=====	=====
Portfolio at 31st December 2010	2010	2009
Investments at cost	42,647	61,373
	=====	=====
Investments at market value	33,649	32,284
	=====	=====
Unrealised loss at 31st December 2010 - Cumulative	£(8,998)	£(29,089)
	=====	=====

Share disposals in the year realised a surplus of £731 over the 31st December 2009 market value. The increase in the valuation of the retained portfolio over the 31st December 2009 market value of £2,602 has been credited to the Income and Expenditure Account.

9. Silver and trophies

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

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Notes to the Accounts

10. Fixtures and office equipment

Cost	2010
At 31st December 2009	3,973
Disposals	(571)
At 31st December 2010	3,402
Depreciation	
At 31st December 2009	2,351
Provision for year	774
Adjustment on disposals	(571)
At 31st December 2010	2,554
Net book value	
At 31st December 2010	£ 848
At 31st December 2009	£1,622

11. Debtors	2010	2009
Annual Dinner 2011 - Deposit	900	875
Insurance paid in advance	<u>160</u>	<u>-</u>
	£1,060	£ 875

12. Creditors	2010	2009
Amounts due for shop stocks and accrued expenditure	222	225
Amounts due for newsletter costs	-	4,010
Amounts due for new showcase	-	1,050
Deferred expenditure – Balance of PB Kingsford legacy	<u>1,123</u>	<u>1,219</u>
	£1,345	£6,504

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 five dinners up to 2010, port and associated corkage costs amounted in total to £1,877. 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.

13. Taxation

Investment income is received with a 10% tax credit with no further liability due. There was no untaxed investment income received during the year and therefore no tax liability arises.

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Statement of Committee's Responsibilities for the year ended 31st December 2010

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

CHARTERED ACCOUNTANTS' REPORT TO THE COMMITTEE ON THE UNAUDITED FINANCIAL INFORMATION OF THE CONWAY CLUB FOR THE YEAR ENDED 31ST DECEMBER 2010

In accordance with the engagement letter, we have prepared for your approval the financial information of The Conway Club for the year ended 31st December 2010 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes from the entity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to you, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the financial information of The Conway Club and state those matters that we have agreed to state to you in this report in accordance with the guidance of ICAEW as detailed at icaew.com/compilation.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of The Conway Club for our work or for this report.

You have approved the financial information for the year ended 31st December 2010 and have acknowledged your responsibility for it, for the appropriateness of the financial reporting framework adopted and for providing all information and explanations necessary for its compilation.

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 financial information.

CLIVE PLUMMER
MITCHELL CHARLESWORTH
Chartered Accountants
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Liverpool
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6 September 2011