GBPF

Finance Director's Report 2018

To be read out by the Chairman

1. I am sorry I cannot be at the meeting, 10th March was the original date of the AGM (8th September Board Meeting) and I went ahead and booked a holiday accordingly.

2. If I can get a good reception where we are staying I will phone in and try and answer any questions.

3. The Loss. We have made a loss for the third year running:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss</th>
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<tbody>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>3,209</td>
</tr>
<tr>
<td>2017</td>
<td>10,657</td>
</tr>
<tr>
<td>2018</td>
<td>9,411</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Balance Sheet</th>
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<tbody>
<tr>
<td>Page 5</td>
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<tr>
<td>40,122</td>
</tr>
<tr>
<td>36,913</td>
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<tr>
<td>26,255</td>
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<td>16,843</td>
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To go through the accounts in detail turn to the last page, Page 10

The following heading make up 85% of the expenditure:-

- Trophies: 11,444
- Streaming: 12,661
- Drug Testing: 28,385
- Rebates: 35,508
- UK Events: 23,997
- Internationals: 40,352

The other 11 headings totalled £27,566 c.g. any analysis of the accounts should concentrate on the top 6.

4. I did not particularly comment on the 2016 Loss (£3,209) at the 2017 AGM as we had made good profits for the previous 4 years (£40,833) and the object is to run the company for the members, not to make a profit.

5. Please note the company was marginally insolvent in December 2011 (£711)

6. However I did comment at some length at the 2018 AGM about the loss in 2017 and the need to re-build the strength of the company and make a profit.

7. I am not opposed, as such to streaming services, drug testing, rebates, UK Events, Internationals, whatever anyone’s personal preference for expenditure is.
8. What has to happen is that we spend less money in total than we did in 2018. The 6 items mentioned in point 7 total £152,347, or 85% of the expenditure. As such any attempt to curb expenditure has to involve the Big 6 or we will get no-where.

9. What we have done is say “yes” to requests for expenditure when we should have said “no”.

10. The other possibility is that our income goes up. However as far as I am aware the membership is no longer racing up (Richard will clarify this)

11. As things stand, if we have a repeat of 2018 we will be insolvent by October 2020.

My Resignation

12. I warned the Board on 12th January that I expected a loss (I did not know how much at that point)
13. After some discussion at the 12th January Meeting, and emails of 26th and 27th January it was decided to place an order of £16,750 for live streaming.
14. I objected on the grounds that it was 9.5% of our income, and until we knew the profit/loss position (points 3 and 12) we should delay a decision.
15. To my knowledge I am the only Director that took this view. (In Richard’s email of 26th January he talks of a majority consensus to commit to the expenditure)
16. When this factor is taken in conjunction with the losses (points 3, 6, 11 and 12) it seems I am not on the same wave length as the rest of the Board (on profitability anyway)
17. As such I feel it is appropriate to resign and let the Board/AGM appoint a Financial Director who is more in tune with the rest of the Board.
18. I will of course co-operate fully with my successor to ensure a smooth handover.

[Signature]

M. A. Edwards