

The Marketing Society Limited

Honorary Treasurer's Report January-December 2016

2016 saw another successful year for the finances of the Marketing Society, a state of affairs for which I can claim very little credit. It is rather a further tribute to the excellent work carried out by my distinguished predecessor Chris Griffin over the 14 years of his tenure and to the skill and judgement of the Society's Finance team.

The headline numbers show that the total income of the Society grew by 5% in the year to £2,927,396 and generated an overall surplus, in line with last year, of £84,406. This allowed the Society to continue to build its accumulated reserves to over £600,000, which gives the Society the ability to absorb a significant financial shock and offers additional security in the uncertain times in which we find ourselves. It is also sensible when our income is more dependent on a smaller number of larger corporate membership arrangements and sponsorship deals and when there are ambitious plans for expansion of its geographical scope.

The Society's top-line results came in slightly ahead of budget with strong performances from membership, events, sponsorship and the Conference more than compensating for shortfalls from the Annual Dinner and Professional Development. Against last year, the picture was similar with the Dinner bringing £63,000 less than in the previous year. Total membership numbers were down by 5% in the year despite growth in our overseas members. Corporate memberships (now 43% of the total) remains a vital part of our membership mix – income from individual memberships in total was down around 10%. Sponsorship also continues to play a more and more significant role in the Society's finances accounting for over £1m for the first time in 2016.

At a net income level, total contribution was up by £134,000 against last year, despite a fall in the surplus generated from the Dinner and Professional Development– this was more than compensated by growth from events, sponsorship and corporate memberships. Overheads increased in the year by just over £130,000, reflecting the investment in building the international hubs, the new database and the costs of the move to new office premises. The office move was achieved at a lower cost than originally budgeted and has given the Society a significant improvement in its facilities.

The Society's balance sheet continues to strengthen with accumulated reserves now at £624,447, up by 15% in the year and with £860,000 in cash still in the bank. The debtor and creditor balances are well under control and we owe twice as much as we are owed. The accumulated reserves amount to 38% of the Society's overhead costs, which would be at the

recommended level for not-for-profit organisations of our type. As the Society is exempt from corporation tax as a not-for-profit entity, the total tax bill was £289 levied on our bank interest payments!

I am pleased to report that the Society's financial controls and management were found to be in good order by the auditors, Richard Place Dobson Services, and their re-appointment will be proposed at the AGM later in the year.