

WHAT IS THE EBU & WHAT IS ITS PURPOSE

- The EBU is a limited, not-for-profit company, owned by the County Associations, whose purpose is defined in its Memorandum of Association
- Its main purposes are:
 - A. To develop and regulate duplicate bridge in England
 - B. To organise bridge competitions
 - C. To join appropriate International Bridge organisations and take part in International competitions
- The EBU's Directors are legally bound to carry out these purposes to the best of their ability and judgement.
- The EBU carries out these purposes through various activities and these are described in the company's accounts under various headings such as those shown below. The Table also indicates which of the 3 purposes each activity primarily supports.

Bridge Shop	A
Master Points	A
Membership	A
Licences	A
Education – All	A
Internationals	C
Junior Intnls	C
Competitions	B
Sim Pairs	B
English Bridge	A
Club Liaison	A
Laws & Ethics	A
NBO	C
Mgt Services & O/H's	A, B, C

Despite the fact that there is now no specific charge for Masterpoints, it is still shown as an activity. This is because it has costs associated with rewards for MP achievements and administering the system.

- As a not-for-profit company all the EBU's income is spent or invested in benefits for its members.
- All of the EBU's Directors and members of Committees are unpaid volunteers who derive no financial benefit from their posts. The Board of Directors is elected by County representatives who themselves are accountable to individual EBU members.

FINANCES

THE EBU RAISES INCOME FROM:

- I) Membership subscriptions (P2P) – Total income = £634K. **Surplus = £576K**
- II) Bridge Shop - Total income = £237K. **Surplus = £49K**
- III) Competitions, Sim Pairs, Licences – Total income = £712K. **Surplus = £146K**

Virtually all activities generate both income and costs. I, II and III above are the main generators of the surplus income with which to fund all the other activities of the EBU.

THE EBU USES THE INCOME TO PROVIDE THE FOLLOWING SERVICES:

- a) English Bridge. Net cost = £135.5K
- b) Youth and Adult Internationals. Net cost = £138.7K
- c) Education. Net cost = £34.1K
- d) Club liaison. Net cost = £37.6K
- e) Ranking Systems (Masterpoint framework & National Grading Scheme). Net cost estimated at around £30K.
- f) The remaining net income is mainly spent on the costs involved in providing services to our membership – answering queries, providing information, the EBU Website, administrative costs such as insurance, fees, accommodation costs etc...

7 IMPORTANT FINANCIAL FACTS

1. All surplus money is returned to the members in some way. Just because a particular individual or group doesn't benefit from a particular EBU activity doesn't mean it is money wasted.
2. In general EBU costs go up in line with inflation and therefore it should be expected that P2P subscriptions, entry fees etc will go up similarly.
3. The initial P2P subscription of 29p was set so as to be revenue neutral based on 2006/7 Finances. In that year, Subscriptions and Master Point income was £612K. Escalating this by RPI to 2011/2012 results in £730K. In 2011/12 P2P Subscriptions actually brought in £588K – a shortfall of £142K. We have been able to manage this situation through tight financial control, cost savings and efficiency improvements.
4. We expect to roughly break even over the next 5 years. This will maintain the status quo but not provide any significant funding for development.
5. The EBU has already achieved significant efficiency improvements. In 2004/5 we had 25 staff supporting around 28000 members (1:1120). We now have 20 staff (17.7 FTE's) supporting around 50000 members (1:2500). The Board believes the scope for further savings in this area is limited.
6. Unlike many other English national sporting bodies, the EBU gets no financial help from the government to help fund internationals participation yet it has a duty to do so.
7. The EBU has to pay VAT at 20% on the entry fees to all its events.

FINANCIAL CHALLENGES AND HOW WE PLAN TO ADDRESS THEM

- Our 5 year forecast shows that we can maintain the status quo if we increase prices in line with inflation but this would allow little or no increased investment in development.
- The Board believes it is the duty of the EBU as a National Sports Governing Body to try and move forward and not stand still
- We therefore need to do the following to generate income to invest:
 - Increase funding available for Education
 - Form a new charity to encompass all education – youth and adult
 - Roll in the EBU Youth & Education Trust
 - Seek project funding from suitable organisations
 - Seek donations
 - Bridge Shop
 - Increase the number of clubs using this service
 - Competitions, Licences & Sims
 - Maintain/Increase numbers at our existing Congresses particularly Brighton
 - Explore VAT exemption for entry fees
 - Increased use of Blue Points
 - Introduce new competitions and congresses
 - Introduce new EBU UK holidays for social players
 - Reduce venue costs through partnership with Bridge Overseas
 - Cost of English Bridge
 - Explore ways of reducing costs

- Continue cost reduction programme across all of the EBU
 - Solar panels at Aylesbury