



**SCAR Executive Committee Meeting 2017**  
**Brno, Czech Republic, 31 July - 2 August 2017**

## **Finance Report**

**Report Author(s):**

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**Summary (<150 words):**

Budgets and expenditure have been updated to reflect decisions made at the 2016 Delegates meeting and changes to currency exchange rates along with more realistic administration costs. Day to day finance activities have been outsourced to a Virtual Finance Operations (VFO) provider. An Investment policy has been agreed and is being progressed. The current projections for surpluses at year end are: 2017 USD \$3,607; 2018 USD \$55,714; and 2019 USD \$40,983.

**Recommendations that EXCOM should consider (if any):**

Allocation of surplus funds available within the 2018 and 2019 budgets should be decided. Impact of changes to Secretariat salaries need to be considered if approved.

## Key Progress in Finance Activities 2016-2017

### Significant finance activities:

- Outsourcing day to day finances to a “Virtual Finance Office”
- Workplace pension implemented
- Investment strategy identified and in progress
- Fellowship and Visiting Professor budgets uplifted by Additional Voluntary Contributions
- All 2016 accounts prepared and audit completed.
- Budgets updated to reflect impact of enlarged membership and updated for Currency Exchange rates in first half (H1) of 2017

### Summary of Statements and Budgets prepared for ExCom 2017

SCAR finished 2016 with net balances equivalent to USD \$500k and in 2017 has benefited from increased National Contributions as 4 new Associate Members joined, the Netherlands moved up a Membership level, more than making up for the Ukraine moving to Associate member status temporarily.

In 2016 total National Contributions receipts (2016 dues and arrears from previous years) were USD \$573,424, compared to a budgeted contribution of USD\$570,000. This indicates that we are continuing to reduce the level of outstanding National Contribution arrears, and this will continue to be monitored on an annual basis.

The 2016 Statement and 2016 Financial Accounts, agreed by our accountants and auditors, have been prepared based on internal accounting. For next year the outsourced financing will allow both the 2017 Statement and Financial Accounts to be prepared externally from the details recorded in the “Virtual Finance Office”.

Once all Trustees and relevant Secretariat details have been updated, in line with new 2017 regulations, the accounts will be submitted to Companies House and the Charity Commission in the UK, satisfying all financial regulatory reporting in 2017.

The 2017 budget has been updated to reflect spending to date in H1 2017, allocations of the 2016 contingency funds and expectations for year end balance, taking into account currency changes and their impact on salaries costs.

The 2018 budget has been prepared to reflect increased National Contribution levels, agreed at the 2016 Delegates meeting. Currency exchange levels have been averaged for H1 2017 when calculating salary costs and changes introduced to reflect realistic administration costs. A surplus of circa USD \$56,000 is available for re-allocation within this budget.

2019 budget has been prepared with an assumption of 3% uplift in Secretariat salaries from 2018 and shows a surplus of circa USD \$41,000 is available for re-allocation within this budget.

### Action items

Staff salaries for 2017 have been given a 1.5% raise for inflation, potential performance raises are still outstanding from 2016 and need to be included in 2017 salary costs.

Decisions are required on allocation of surplus funds showing in the 2018 and 2019 budgets.

## **Future Plans**

Changes to Secretariat salaries, if approved, will need to be incorporated into ExCom discussions on future budgets.

Reporting on the performance of the Investment portfolio will need to be incorporated into future Finance Reports to Delegates and ExCom Meetings.