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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015	

Let's look at the headline figures from our annual consolidated accounts:

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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015	
CONSOLIDATED FINANCIAL STATEMENTS	
Income	£6.83m
Expenditure	£7.28m
Net deficit	-£450,000

Total income was 6.83 million pounds and total expenditure was 7.28 million giving a net deficit of 450 thousand pounds. These figures do not include gains in the value of our investments.

As I will explain, there were both good and some not-so-good reasons for the deficit.

These totals from the consolidated accounts include the NFWI and Denman plus the subsidiary trading company, WI Enterprises Ltd.

So let's look at the performance of each of these three businesses separately.

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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015	
CONSOLIDATED FINANCIAL STATEMENTS	
Income	£6.83m
Expenditure	£7.28m
Net deficit	-£450,000

NFWI	
Income	£3.36m
Expenditure	£3.59m
Net deficit	-£230,000

The NFWI's income was 3.36 million pounds including 2.2 million from member's subscriptions. Expenditure was 3.59 million pounds. Expenditure was higher than income so there was a net deficit of 230 thousand pounds.

In this case, the deficit was a good result. It was planned and was covered by available free and designated reserves which allowed us to reduce the NFWI's share of the membership subscription whilst undertaking many additional activities in our centenary year.

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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015	
CONSOLIDATED FINANCIAL STATEMENTS	
Income	£6.83m
Expenditure	£7.28m
Net deficit	-£450,000
NFWI	
Income	£3.36m
Expenditure	£3.59m
Net deficit	-£230,000
DENMAN	
Income	£2.36m
Expenditure	£2.58m
Net deficit	-£220,000

Janice has already spoken about Denman's financial performance. This is the not-so-good part of our total deficit. Denman's income was 2.36 million whilst its expenditure was higher at 2.58 million. More about Denman in a little while.

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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015	
CONSOLIDATED FINANCIAL STATEMENTS	
Income	£6.83m
Expenditure	£7.28m
Net deficit	-£450,000
NFWI	
Income	£3.36m
Expenditure	£3.59m
Net deficit	-£230,000
DENMAN	
Income	£2.36m
Expenditure	£2.58m
Net deficit	-£220,000
WIE LTD	
Income	£3.22m
Expenditure	£2.51m
Profit	£715,000

Our trading subsidiary, WI Enterprises Ltd raises funds for the charity by undertaking trading activities that are outside our remit as a charity and donating its profits.

WI Enterprises generated total income of 3.22 million pounds. This included payment by the NFWI for *WI Life* magazine of £6 per member for 8 issues, totalling 1.28 million pounds in the year. The balance of 1.9 million came from advertising sales, commissions and other commercial activities. Total expenditure was 2.51 million pounds, giving an overall profit of 720 thousand pounds, which was donated to the charity as Gift Aid.

Now, if you enjoy mental arithmetic and you have added together the income and expenditure of the three business areas, you will see that the totals are greater than the income and expenditure totals from our consolidated financial statements that are shown on the left.

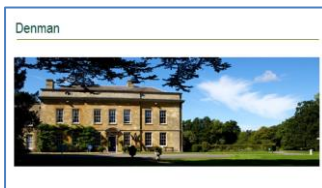
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RESULTS FOR THE YEAR ENDING 30 SEPTEMBER 2015		
CONSOLIDATED FINANCIAL STATEMENTS	NFWI	Intercompany transactions
Income £6.83m	Income £3.36m	NFWI to WIE for WJ Life £1.28m
Expenditure £7.28m	Expenditure £3.59m	WIE profit to NFWI / Denman £715,000
Net deficit -£450,000	Net deficit -£220,000	NFWI / WIE to Denman facilities £118,000
	DENMAN	
	Income £2.38m	
	Expenditure £2.59m	
	Net deficit -£220,000	
	WIE LTD	
	Income £3.22m	
	Expenditure £2.51m	
	Profit £715,000	

Our three businesses provide services to each other. The NFWI pays WI Enterprises for *WI Life*, both the NFWI and WI Enterprises pay Denman when they use its facilities and WI Enterprises donates its profit to the NFWI and Denman. These charges are included as income in one business and expenditure in the other. However when we consolidate we are treating the NFWI and its subsidiary as a single economic unit so we take out all of the intercompany transactions as you see here.

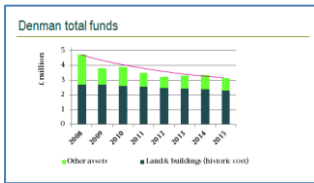
I'd like to come back now to Denman.

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Denman is part of the NFWI charity with its own funds that are ring-fenced within the charity. Our aim is for Denman to be self-supporting from the fees it charges for educational courses and the other income it earns from sponsorship and additional fundraising activities, such as hiring the premises to other organisations.

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This chart illustrates the concerns the trustees have about Denman. The dark green shows the funds held in land and buildings. This is based on the historic cost as shown in our accounts, not the market value, but the point is these funds are tied up in the fixed assets. The lighter green shows Denman's other assets, mainly investments and cash.

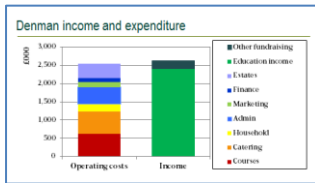
As you can see there is an overall decline in Denman's funds over the years which the trustees feel cannot continue. No business can continue to make losses indefinitely.

Our policy is that we do not subsidise Denman from members' subscriptions as we don't think it would be fair to subsidise the small, albeit passionate minority of members that go to Denman from subscriptions paid by the majority of members. The survey of members' views on Denman that we carried out in 2012 showed that at that time this was in line with most members' views.

I love Denman. I attend courses when I can and I am also a volunteer college host . But I am also clear that as a NFWI trustee, I must look at the big picture and, with my fellow trustees, consider what is right for the whole WI membership.

I am very proud of the range and quality of the courses Denman provides as borne out by guests' feedback. To continue to attract members and non-members to Denman we also need to provide a well-equipped, comfortable environment and a level of customer service that is conducive to learning and relaxation. And Denman needs to earn enough income to cover the costs of this.

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To give you more idea of the challenge, this slide shows a breakdown of the costs of running the college compared with target income for this year. As Janice has told you, bookings are up this year and the income covers the costs with a relatively modest surplus.

However, many of the costs, including staff, are fixed in the short-medium term and if bookings decline the savings are much lower than the reduction in income. We can reduce the food we buy but we can't so easily reduce the catering staff or the running costs of the buildings or the other staff we employ.

In addition to these operating costs shown, Denman needs to spend a further 100 thousand pounds this year and every year on major non-routine maintenance of the buildings and grounds. The Board is very grateful to the members who have set up the Saving Denman appeal to provide funding towards these costs. Without this, Denman would have to earn increased operating surpluses to cover long-term maintenance.

However, to be sustainable in the longer term, we also need you the members to make use of Denman so that its annual income at least covers its operating costs. Ask anyone who has been to Denman and they will tell you it's a very rewarding experience.

I'd like to move on now to a subject that concerns us all, membership subscriptions.

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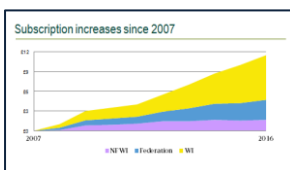
The NFWI Board of Trustees is concerned with the financial health of the whole of the WI, and the annual membership subscription is an important element.

The subscription is decided each year by the NFWI Board in consultation with National Council. The WI has always been based on the principle that everyone pays the same and our aim is to find the right balance between keeping it affordable and at the same time ensuring all parts of the organisation have sufficient funds to be successful, offer members a great experience and make a difference to our communities.

This year the subscription is £37.50. That's the equivalent of less than a pound a week or three pounds twelve pence a month which the trustees consider to be affordable.

Costs increase every year for us all and the annual subscription is also likely to increase. But in recent years the level of increases has also taken account of the feedback message we have been getting from WIs and federations that they need more income locally.

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This chart shows how this has been happening. Since 2007, WIs have received a total increase of £6.80 from each member's subscription. Federations have had £3.05 and the NFWI has received £1.65.

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We believe these increases have been making a difference but we now want to hear members' views about subscriptions in future. Janice has already told you about the proposed census and we will be including questions about the amount of the subscription and how you pay it.

I would like to end by repeating Janice's message.

The NFWI is financially secure. We have sufficient reserves to meet our needs and to invest in new services. We will of course be asking your views in the census about the services provided by the NFWI including how we should use the balance of the designated funds we are holding from past VAT refunds to enhance our services.

I would like to finish by thanking Anne Wheeler Head of Finance and the NF finance team for all their hard work, our professional advisers, including haysmacintyre and CCLA. And I would also like to thank particularly the two external advisers to the Finance Committee, Ruth Kaufman and Kate Collyer.