

Annual General Meeting

16th May 2024

FINANCIAL REPORT 2023/24

1. Financial Statement 2023/24

1.1 Please find below the Profit & Loss and Balance Sheet Accounts reporting the financial position for the period to 31st March 2024. These figures are currently being checked by an independent auditor to produce an Assurance Letter, in line with Companies House requirements as ADEPT is exempt from requiring a full audit.

1.2 Profit & Loss Account to 31st March 2024

	Budget 2023/24	Actual 2023/24	Variance 2023/24
Income			
Special Honoraria's	424	474	50
Local Authorities	122,965	127,750	4,785
LEP & Combined Authorities	2,470	3,150	680
Corporate Partners	117,550	120,696	3,146
National Associations	14,080	14,380	300
Sub National Transport Bodies	5,375	5,375	-
National Traffic Managers Conference	13,500	13,053	(448)
Spring Conference	54,069	75,582	21,513
Autumn Conference	100,000	150,593	50,593
Past Presidents' Lunch	1,460	1,840	380
Miscellaneous	0	10,202	10,202
Leadership Development Programme	55,972	64,967	8,995
Green finance training course	2,400	6,965	4,565
Live Labs 2	400,000	290,348	(109,652)
Rees Jeffreys Road Foundation	0	0	-
Navigating Transition training course	1,800	0	(1,800)
FHRG / Proving Services	24,000	29,250	5,250
Woodland Creation Accelerator Fund	42,000	40,885	(1,115)
Adaptation Pathways	48,574	25,063	(23,511)
Gen Z Recruitment Campaign	0	9,240	9,240
Interest	12	5,219	5,207
Total Income	1,006,651	995,031	(11,620)

	Budget 2023/24	Actual 2023/24	Variance 2023/24
Expenditure			
Live Labs 2	400,000	290,348	(109,652)
Green finance training course	1,376	3,841	2,465
National Traffic Managers Conference	9,822	9,332	(490)
Leadership Development Programme	30,000	42,276	12,276
Rees Jeffreys Road Foundation	0	0	-
Navigating Transition training course	0	254	254
Woodland Creation Accelerator Fund	1,800	40,885	39,085
Adaptation Pathways	42,000	25,063	(16,937)
Gen Z Recruitment Campaign	0	9,240	9,240
Shared Intelligence - review	18,814	0	(18,814)
CEO salary	128,000	127,081	(919)
Deputy CEO salary	53,487	64,215	10,728
Support Officer	15,000	9,282	(5,718)
Policy Officer	60,000	49,909	(10,091)
Finance Officer	9,500	9,148	(352)
Staff Development	3,400	1,122	(2,278)
Board Exp - Sustainable Growth	1,500	0	(1,500)
Board Exp - Engineering	1,500	1,700	200
Board Exp - Environment	1,500	0	(1,500)
Board Exp - Leadership Team	1,500	384	(1,116)
Board Exp - Transport & Connectivity	1,500	0	(1,500)
Company status changes	2,000	13	(1,987)
President's expenses	2,500	115	(2,385)
CEO / Deputy CEO expenses	4,000	4,069	69
Computer & software	800	295	(505)
Spring Conference	50,549	54,865	4,316
Autumn Conference	92,437	109,354	16,917
Past Presidents' Lunch	1,460	1,838	378
Communications & PR	70,000	89,054	19,054
Website	3,967	1,381	(2,586)
Audit	4,100	2,767	(1,333)
Bank Charges	0	21	21
Tax and Insurance	1,200	1,876	676
Subscriptions	1,000	2,019	1,019
Legal Fees	0	3,967	3,967
Sundry	0	0	-
Design & Print	7,000	9,957	2,957
Postage	125	90	(35)
Total Expenditure	1,021,837	965,761	(56,077)
Net Surplus/(Deficit):	(15,186)	29,270	44,457

The overall position for the period to 31st March 2024 was a surplus of £29,270 against a budgeted deficit of (£15,186).

Particular points to note are as follows:

Income

1.2 Overall, income was £11,620 under budget. This is mainly due to a decrease in Live Labs 2 income to forecast and some fluctuations with the different income streams which are outlined below:

- Local authority membership income was above expected levels by £4,785 as was the take-up of LEPs and Combined Authority membership by £680. National Association memberships were £300 up on budget.
- The number of Corporate Partner members slightly increased; in addition there is a waiting list so are confident the numbers will increase as per budget for next financial year.
- The National Traffic Managers Conference (October 2023) generated slightly less sponsorship than budgeted (£448). When offset against the expenditure, the event returned a surplus of £3,721.
- The Spring Conference (May 2023) was over budget on income by £21,513 and returned a surplus of £20,717. The Autumn Conference (November 2023) was over budget on income by £50,593 and returned a surplus of £41,239.
- Funding for the Live Labs 2 programme was more than budgeted and included carry over income and in year income totalling £453,358. Income has been matched against expenditure creating a total income in 2023/24 of £290,348. The remaining funds have been carried forward into financial year 2024/25.
- Income from the Leadership Development Programme (32 delegates, 3 cohorts) was over budget by £8,995 and returned a surplus of £22,691.
- Income from the partnership with Proving Services was £5,250 over budget due to higher than budgeted take-up of membership of the Future Highways Research Group and VfM benchmarking services.
- The Navigating Transition training day did not go ahead and therefore is showing a budget pressure of £1,800.
- The Green Finance training day (March 2023) was over budget by £4,565 and returned a surplus of £3,124.
- There was Miscellaneous income of £10,202 which includes:
 - Woodland Creation Acceleration Fund management charge - £1,986
 - Adaptation Pathways Programme management & officers charge - £4,649
 - Environment Agency webinar series & admin charge - £2,000
 - Commissioned review by DfT - £1,447
 - Lloyds Bank compensation - £120

- There were three income streams which are net affect as the payment for the same value has been paid out:
 - Woodland Creation Accelerator Fund (for Defra & Forestry Commission) - £40,885
 - Adaptation Pathways programme (for the Environment Agency) - £25,063
 - Gen Z Recruitment Campaign pilot – £9,240
- Interest of £5,219 from various savings accounts.

Expenditure

1.3 Overall, expenditure was £56,077 under budget. Key items are summarised below:

- Research costs for the Live Labs 2 programme (£290,348) was matched with income.
- The Leadership Development Programme costs of £42,276 were offset against the income, resulting in a net gain of £22,691 which was £12,276 more than budget.
- Costs for the National Traffic Managers Conference, Green Finance training day, Woodland Creation Accelerator Fund, Adaptation Pathways Programme and Gen Z Recruitment Campaign pilot totalled £88,615.
- Salaries were overall lower than budget by (£8,629). Salary costs comprised of CEO underspend (£919), Deputy CEO (£10,728), Admin Support Officer (£5,718), Finance Officer (£352) and Policy Officer (£10,091) and staff development (£2,278).
- There was an underspend of £9,719 on all Board and Officers expenditures. Further details are below:

Board Expenses – Sustainable Growth	(£1,500)
Board Expenses – Engineering	£200)
Board Expenses – Environment	(£1,500)
Board Expenses - Leadership	(£1,116)
Board Expenses – Transport & Connectivity	(£1,500)
President’s Expenses	(£2,385)
CEO & Deputy CEO Expenses	£69
Company Status	(£1,987

- The overall expenditure on events created a surplus compared to budget of £20,743 but showed a variance to budget as below:

Spring Conference	£4,316
Autumn Conference	£16,617
National Traffic Managers Conference	(£490)

- Communications & PR came in over budget by £19,054. This relates to a significant increase in media work and more political and policy related communications support and an increase in Coast's day rates.
- Expenditure on the website was under budget by (£2,586) due to some restructuring.
- The Shared Intelligence budget line was showing an underspend of £18,814 due to no activity this financial year.
- Sundry expenses were overspent by £7,145. There were overspends within Design & Print legal fees, subscriptions, Tax and Insurance, Bank Charges and audit fees and underspends on software and postage as detailed below.

Accounts software	(£505)
Audit Fee	(£1,333)
Tax and Insurance	£676
Design & print	£2,957
Postage	(£35)
Subscriptions	£1,019
Legal Fees	£3,967
Bank Charges	£21
Past Presidents' Lunch (offset by income)	£378

Balance Sheet

1.4 The balance sheet shows a total reserve figure of £312,848 from retained surplus funds. Please see below the Balance Sheet as at 31st March 2024.

Balance Sheet as at 31st March 2024

Fixed Assets		
Presidents Chain	15,830	
Total Assets		15,830
Current Assets		
Debtors	(313,807)	
Bank	726,793	
VAT Liability	-	
Total		412,986
Total Assets		428,816
Current Liabilities		
Creditors	48,766	
Accruals	29,795	
VAT	37,407	
Tax	-	
Total		115,968
Current Assets less Current Liabilities		312,848
Total Assets less Current Liabilities		312,848
Capital & Reserves		
Reserves	283,578	
P & L Account	29,270	312,848

1.5 The balance sheet shows a healthy cash position as many authority and national association members have paid their 2024/25 subscription fees prior to year-end and we are holding prepaid monies for the Gen Z recruitment campaign pilot, Live Labs 2, Adaptation Pathways programme, Woodland Creation Accelerator Fund and Leadership Development Programme Cohorts 12 & 13 therefore are sitting as an asset.

1.6 The balance sheet shows some assets which are President's Chain, the County Surveyors Society Golf Trophy and CSS Ladies Golf Cup which were valued last year and added as assets.

2. Medium Term Financial Plan – 2024/25 to 2025/26

The current budget for 2024/25 shows that ADEPT is sustainable for the current period, as the accounts for 2023/24 show. Efforts are ongoing to generate income and reduce expenditure so the association can remain financially viable in the future.

The Medium-Term Financial Plan (MTFP) proposes to continue as in 2023/24 and achieve this through:

- Growing the membership. The target for 2024/25 is to recruit +3 authority members and to increase the Corporate Partner target to 23. Membership as of 31st March 2024 was 97 authorities, 8 LEs, 6 CAs, 5 STBs and 22 Corporate Partners. We have a membership

retention rate of +95%. Many LEPs are not renewing; however the annual membership fee is very modest (£225) so the financial impact is contained.

- Running national events which secure sponsorship. The Spring & Autumn Conferences are highlights of the ADEPT calendar – we had 220 delegates to the Autumn Conference in Nottingham in November 2023 – and this year will be the 6th National Traffic Managers Conference. A sign of the times however is that nearly all our other events now take place online – which is cheaper, easier, greener but also less personal. Providing learning and development opportunities:
 - The Leadership Development Programme goes from strength to strength, with over 150 people completing the programme. We are running two cohorts in 2024/25. We intend to launch a Leadership Pathway Programme in Autumn 24, aimed at middle managers (Tiers 5 & 6).
 - The *Excellence in Place Leadership* programme has been replaced by the *PACE Programme* and continues to be sponsored by Amey.
 - We successfully delivered the 3rd green finance training course in partnership with CIPFA. We are investigating additional learning opportunities e.g. political leadership and media training, active learning sets.
- Attracting sponsorship for other technical workshops, round table events, policy seminars, research projects, etc.
- Seeking external contributions to research activities and commissioning additional research activity to supplement the work undertaken by ADEPT's support staff through business cases to the Leadership Team.
- Successfully programme managing Live Labs 2, which is a three-year, £30m, UK wide programme focusing on decarbonising highways with an eight-year monitoring and evaluation programme.
- Supporting existing commercial partnerships (Proving Services, Defra / Forestry Commission, Environment Agency) whilst looking to establish new commercial partnerships to create additional income.
- Seeking to provide value for money for all the Association's activities.

BUDGET 2024/25

	Budget 2023/24	Budget 2024/25
Income		
Special Honoraria's	424	560
Local Authorities	122,965	140,072
LEP & Combined Authorities	2,470	1,912
Corporate Partners	117,550	136,104
National Associations	14,080	13,652
Sub National Bodies	5,375	5,700
National Traffic Managers Conference	13,500	13,500
Spring Conference & Awards Dinner	54,069	75,582
Autumn Conference	100,000	150,593
Past Presidents Lunch	1,460	1,460
Leadership Development Programme	55,972	37,315
Green finance training course	2,400	0
Live Labs 2 programme	400,000	400,000
Navigating Change training course	1,800	0
Proving Services / FHRG	24,000	29,250
Woodland Creation Accelerator Fund	42,000	25,916
Adaptation Pathways	48,574	60,554
Recruitment Campaign	0	90,000
Interest	12	2,000
Total Income	1,006,651	1,184,170

	Budget 2023/24	Budget 2024/25
Expenditure		
Live Labs 2 programme	400,000	400,000
Spring Conference & Awards Dinner	50,549	55,000
Autumn Conference	92,437	109,035
Green finance training course	1,376	0
National Traffic Managers Conference	9,822	9,822
Leadership Development Programme	30,000	20,000
Proving Services / FHRG	0	3,000
Navigating Change training course	1,800	0
Woodland Creation Accelerator Fund	42,000	24,621
Adaptation Pathways	18,814	57,527
Gen Z Recruitment Campaign	0	115,000
CEO Salary	128,000	134,400
Deputy CEO Salary	53,487	92,980
Support Officer	15,000	13,500
Policy Officer	60,000	45,000
Finance Officer	9,500	9,500
Staff Development	3,400	3,400
Board Exp - Sustainable Growth	1,500	500
Board Exp - Engineering	1,500	500
Board Exp - Environment	1,500	500
Board Exp - Leadership Team	1,500	1,500
Board Exp - Transport & Connectivity	1,500	500
Company Status	2,000	1,000
President's Expenses	2,500	2,500
CEO / Deputy expenses	4,000	6,000
Computer & Software	800	800
Past Presidents Lunch	1,460	1,460
Communications & PR	70,000	80,000
Website	3,967	2,000
Bank Charges	0	500
Audit	4,100	2,493
Tax and Insurance	1,200	2,000
Subscriptions Fees	1,000	2,500
Legal Fees	0	4,000
Design & Print	7,000	7,000
Postage	125	125
Sundries	0	5,000
Total Expenditure	1,021,837	1,213,664
Net (Surplus)/Deficit:	15,186	29,494



Summary

The budget for 2024/25 shows increased surplus due to additional income streams. ADEPT continues to increase its membership by providing a valuable and professional service to all members. It is felt the increased income from membership subscriptions, events and sponsorship plus commercial partnerships whilst keeping costs to a minimum creates a solid strategy that will enable ADEPT to continue in the longer term and maintain the financial sustainability of the organisation.

June Meadows, Finance Officer and Hannah Bartram, Chief Executive Officer

May 2024