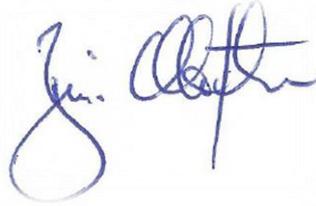




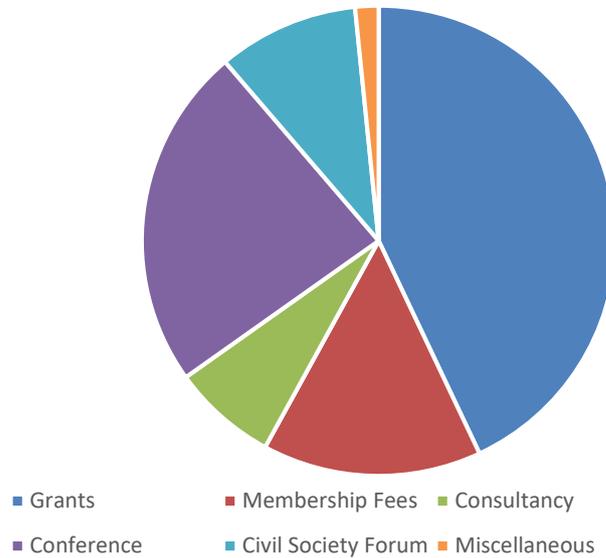
# HONORARY TREASURER'S REPORT

**Brian CHRISTOPHER**

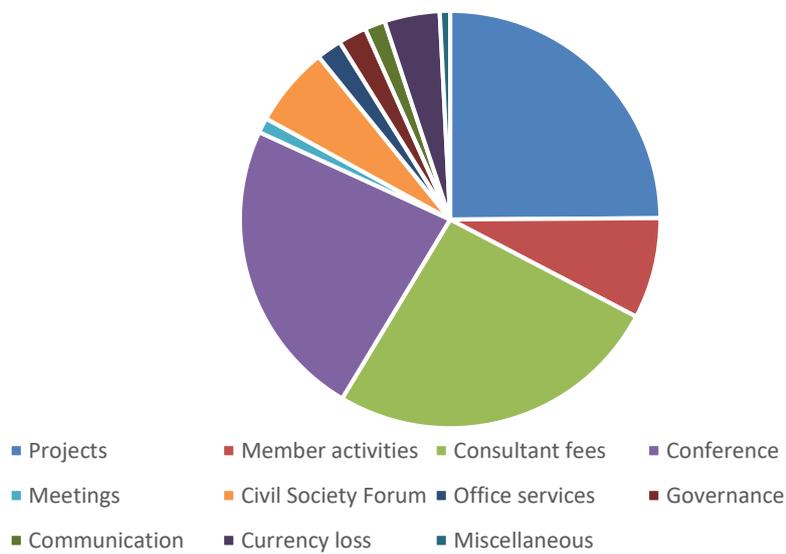


The Treasurer's report covers the financial years 2017-2018 and 2018-2019. The notes to the accounts are structured under the major items in the graphs below.

## INCOME 2017-2019



## EXPENDITURE 2017-2019



## NOTES TO 2017-2019 ACCOUNTS

### INCOME

The CNMF income is generated from membership fees, project grants, consultancies, donations, and fundraising activities.

#### (a) GRANTS

During the reporting period, the CNMF had a number of grants both short term and long term. For the two years under review grants constituted £115,000 (or 43%) of total income. The Commonwealth Foundation mental health legislation project has now been completed. The Burdett Trust grant was for two projects: maternal health updates for midwives in Sierra Leone which has been completed; and a nurses' and midwives' health project in the South Pacific which is ongoing due to various unavoidable delays but which will be completed in the 2019-2020 financial year.

#### (b) MEMBERSHIP

Membership fees are quite small compared with other international organisations. There has been a significant improvement in income from membership fees over the last two years, averaging £20,000 per annum, or 15% of total revenue which compares favourably with 4% of total revenue in the previous two years. Membership fees for national and midwifery organisations are structured according to the number of financial members belonging to that organisation (see table below). Associations are asked to be honest in declaring their membership numbers. The CNMF membership year runs from 1 January to 31 December. The CNMF Board has not increased membership fees since 2014. Despite the small fees, very few countries pay their invoices on time and it is very time consuming sending reminders and chasing subscriptions. Of the current CNMF financial members, 65% pay the lowest fee. There is no recommendation to increase membership fees for 2020-2022. Membership fees accounted for 15% of total income.

##### Full members

▶ Up to 500 members	£100
▶ 501-1000 members	£150
▶ 1,001-5,000 members	£200
▶ 5,001-10,000 members	£250
▶ 10,001-20,000 members	£500
▶ 20,001-50,000 members	£800
▶ 50,001-75,000 members	£1,000
▶ 75,001-100,000 members	£1,500
▶ 100,001-150,000 members	£2,000
▶ 150,001-200,000 members	£2,500
▶ 200,001 +	£3,000

#### (c) CONSULTANCY

This is income generated by consultancy services to funding bodies or technical assistance to countries. Considerable consultancy income was generated by the African Regulatory Collaborative initiative however this initiative has now ceased. A consultancy was negotiated with the University of Washington which was due to be completed by January 2019 however delays by the funder meant that the consultancy did not commence until outside the reporting period. This created some short term cash flow issues for the CNMF. Over the two year reporting period, income from consultancy services provided 7% of total income which is half that of the preceding two years.

#### (d) CONFERENCES

This relates to income generated by the 4<sup>th</sup> Commonwealth Nurses and Midwives Conference in March 2018. Income is 23.5% of total income although conference income is offset by conference expenditure. The CNMF has not used the conferences to generate income, preferring to keep conference fees as low as possible to enable nurses and midwives from developing countries to attend. Unfortunately it has been very difficult to obtain any substantial external sponsorship for the conferences. The registration fees for the conference are graded according to World Bank country income groups so participants from high income countries pay more than participants from low income countries.

#### **(e) COMMONWEALTH CIVIL SOCIETY FORUMS**

The CNMF is the secretariat for the Commonwealth Health Professions Alliance (CHPA). The CHPA puts in a funding proposal to the Commonwealth Foundation each year to host a Commonwealth Civil Society Policy Forum (CCSPF) in conjunction with the Commonwealth Health Ministers' meeting. The CNMF acts as the budget holder for the CCSPF. The income for the CCSPF is offset by the expenditure. Any unspent funds are returned to the Commonwealth Foundation. Income over the last two years has totalled £25,754, with expenses of £17,354. Percentage of income over the reporting period is 9.5%.

#### **(f) MISCELLANEOUS**

This line generally relates to miscellaneous reimbursements (2% of total income).

### **EXPENDITURE**

The CNMF expenditure reflects the costs associated with the day to day running of the organisation, effective governance, maintaining communication, responding to member requests, liaising with relevant national, regional and international bodies, and conducting projects and consultancies to generate income.

#### **(a) PROJECTS**

These items represent costs incurred in managing and delivering grant projects. The difference between the income and expenditure is attributable to income being received in one financial year but expenses not being paid until a difference financial year. Income also includes a small project management fee for each project which means that income should always be slightly in excess of expenditure. Overall project costs were £69,581 over the two year period (25% of total expenditure).

#### **(b) MEMBER ACTIVITIES**

This line relates to costs associated with the CNMF Board the majority of which is accommodation costs for the biennial meeting and conference. Board members pay their own travel costs. Members of the Board, including the President and Deputy President, also represent the CNMF at various activities in their regions. The line also covers specific activities undertaken by the CNMF on behalf of members (eg: conducting workshops). Member activities accounted for 8% of total expenditure.

#### **(c) CONSULTANT FEES**

The bulk of the expenditure in this line is the consultant fee for the Executive Secretary. The Executive Secretary is employed for 36 hours at £25.00 an hour (from 1 April 2017). The consultant fee line also includes consultancy fees paid to the CNMF Educator; small amounts paid to support in-country facilitators for the maternal health education and training program; and the honorarium for the Honorary Treasurer. Consultant Fees account for 26% of total expenditure. The responsibilities of the Executive Secretary includes (but is not limited to):

- project generation, management and reporting;
- general administration, including maintaining digital files and maintaining currency of data base;
- generating and maintaining membership;
- maintaining financial accounts and preparing for annual audit, invoicing and receipting;
- governance processes associated with constitutional review, company registration and reporting requirements, taxation returns, quarterly reports to Board, and CNMF Board elections;
- organising the CNMF Biennial Meeting of Members;
- organising the biennial Conference;
- maintaining communication media such as the e-news, the website, and social media;
- liaison with members and other Commonwealth, regional, and international organisations; and
- responding to member requests for workshops or other support.

**(d) CONFERENCES**

This relates to conference expenditure such as venue and delegate packages; design and updating of the conference website, call for abstracts, registration brochure, book of abstracts, and similar items. These costs are mostly defrayed by conference income. It also includes any support that the CNMF provides to presenters from low income countries to present at the conference. On average the CNMF supports 4-6 presenters from low income countries to attend and present at the conference. Conference costs are 23% of total income.

**(e) MEETINGS**

This line relates to meetings which cannot be piggy-backed with other activities or reimbursed by a third party. The majority of meetings are done by Skype or other like media. This line accounts for 1% of total expenditure.

**(f) COMMONWEALTH CIVIL SOCIETY FORUMS**

This relates to expenditure associated with the Commonwealth Civil Society Policy Forums: venue, flights, accommodation, speaker costs etc. Most of these costs are covered by funding from the Commonwealth Foundation which also funds executive members of the Commonwealth Health Professions Alliance to attend which includes the CNMF representation. There is usually a small management fee gain for the CNMF. This line accounts for 6% of total expenditure

**(g) OFFICE SERVICES**

The registered office of the CNMF is at the RCN UK. The costs in this line relate to office attendance by the Executive Secretary, paper, printing, telephone, capital expenses etc. Streamlining and reorganising office and publication arrangements have significantly reduced costs. Skype, text and email are predominantly used for communication keeping telephone costs very low. There is minimal cost for postage. Overall such costs make up 2% of total expenditure.

**(h) GOVERNANCE**

This includes bank fees, the auditor's fees, and costs associated with CNMF registration as a private limited company in the UK and registration for Corporation Tax with HM Revenue and Customs. Overall this line makes up 2% of total expenditure.

**(i) COMMUNICATION**

This line includes costs associated with maintenance and updating of the CNMF website, email, social media accounts, and publication and limited printing of the CNMF Annual Report. It also includes products such as CNMF badges. This line accounts for 2% of total expenditure which is minimal compared with its relative value for the organisation.

**(j) CURRENCY EXCHANGE LOSS**

The CNMF operates three accounts: a UK £ account; an Australian \$ account; and a PayPal account which includes UK£, US\$ and AU\$. The PayPal account is particularly useful so presenters and participants at the conference can pay by credit card. PayPal has agreements with most countries, their security is excellent, refunds are easy to process; and disputes readily resolved. At the end of the financial year an adjustment needs to be made for currency fluctuations. Sometimes this results in a gain and sometimes in a loss. The currency loss over the two year reporting period was £11,880. The currency loss in the 2017-2018 financial year was an aberration as a result of the uncertainty surrounding the UK £ as a result of Brexit. Fortunately in the 2018-2019 financial year the currency gain/loss situation returned to expectations. As a result of the large currency loss in 2017-2018, currency exchange losses were 4% of total expenditure.

**(k) MISCELLANEOUS**

This line relates to miscellaneous expenditure that does not logically belong in any other line. Miscellaneous costs are less than 1% of total expenditure.

## **SUMMARY**

The end of year results in both financial years showed a total deficit of £12,048 over the two years. The majority of the deficit was a currency exchange loss in the 2017-2018 financial year of £10,203. The other contributing factor was the reduction in anticipated consultancy income with the abrupt cancellation of the African Regulatory Collaborative initiative as a result of reduced funding to PEPFAR by the USA government following the election of November 2016. There was also a delay in a consultancy project scheduled for January 2019, which did not eventuate until August and September 2019.

I would like to record the thanks of the CNMF to our auditor, Mr Peter Westley, who has been our auditor now for a very long time. Despite vastly different and more complicated amounts now passing through the CNMF accounts, Peter's fee has remained modest and he has always been exceedingly generous with his time and helpful with his advice. In addition to the annual audit, Peter assists the CNMF with the Annual Return to Companies House and the filing of our taxation returns with HM Revenue and Customs and payment of Corporation Tax.

The CNMF achieves a great deal with very little funding and is held in high regard for the quality, scope and cost-effectiveness of the activities it provides. A future focus on applying for larger grants, perhaps in partnership with other organisations, and increasing membership through the different membership categories, could see a great deal more achieved.

---