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18th November 2008

Dear Gianriggo,

Since our meeting at Pau the EBU Board has been able to look in detail at the financial information that you circulated at that meeting with reference to indexing and increasing the membership subscriptions. You may remember at the time that the representatives from the EBU were concerned that we had not received the detailed information that you said you had circulated to us.

We would be grateful if you could answer the following questions about your reported accounts and budgets for the coming years taken from attachments (a and (b) circulated at that meeting. We did not receive the sheet of notes on your audited accounts, although you do state that these were available for delegates to consult. Some of these questions may have been answered in that sheet:

- 1) EBL Reserves at the end of 2006 were €60k, representing about 30% of your approximately €900k total turnover for 2007. Your budgets show reserves rising over the next two years to over €540k or about 60% of turnover. Why do you need this increase in reserves?
- 2) Most of the additional reserves are scheduled to come from what you call "variable income and expenses" - i.e. championships and competitions and directors and teachers courses. Yet you are seeking to make your "fixed income and expenses" also show an increasing surplus. Would it be better to plan to have the variable element always scheduled to make a contribution to the net position and offset any losses in the fixed elements against this income?
- 3) In your budget you are showing only net bottom line costs for all the championships rather than costs and income - what are your projected costs and incomes from these variables?
- 4) The Youth Bridge Promotion Fund is a new item in 2009, costing €50k in 2009 and €25k in 2010. What are your detailed plans for this fund and who benefits?
- 5) You seem to be planning to make a loss €15k on directors courses in 2008 and 2010. Should these be self-financing?



- 6) The EBL Teaching System. Although we recognise the need for good teachers, many NBO's have teaching and accreditation programmes of their own. What is the objective of the EBL Teaching system? What research did you do to find out whether we really need a European wide initiative? In 2010, there is a teachers course costing €15k with no income. Should this be self-financing?
- 7) The logic for your requested increase in subscriptions appears to be the OECD statistics for Europe. The 25% over 7 years (equating to 3.3% pa) seems high for the sort of costs the EBL incurs in its "fixed" element, especially as your budget shows the "fixed" element of costs as flat over the 2007-10 period (except for a 2% spike in 2008 for "executive committee" costs).
- 8) Your budgets show no projections of increase or decrease in membership numbers from your constituent NBO's. Should they?

All of us in the EBL Zone are facing an economic downturn, with England, Scotland and Wales facing an ever decreasing rate of sterling against the Euro making our position even worse in funding your subscriptions.

We look forward to receiving the answers to our questions which will enable us to continue the dialogue about the proposed subscription rises.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Sally Bugden', written in black ink on a light-colored background.

Sally Bugden
Chairman
English Bridge Union

cc EBU Board
David Harris
EBL Zone members