

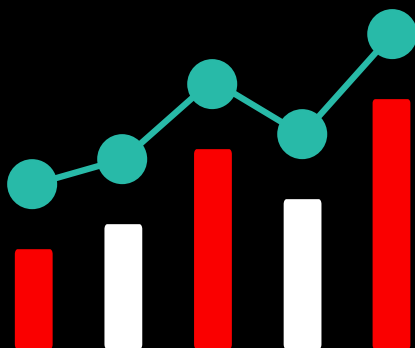


MemberWise

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CHARTERED ACCOUNTANTS



# Financial Benchmarking Report 2020/21



Report sponsored by:



**CANTARUS**

A new exciting annual financial  
resource for the membership sector.

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Price Bailey are delighted to partner with MemberWise to introduce the first financial review of the largest 100 membership organisations in the UK (The Influence 100 List).

This is the first ever annual report that builds a clear picture on the financial resilience, sustainability and emerging trends within and amongst the sector's most high profile membership organisations and associations.

The calculations/figures contained within this report are sourced from publicly available information and statutory accounts, however the results do not take into account analysis/reporting published during the COVID-19 pandemic (i.e. data is historical and based on information published before March 2020).

The results in this report have been categorised by membership body type to help senior management team members evaluate and benchmark activity against similar organisations.

Categories include:

- Business association
- Consumer body
- Donation based charity
- Political Party
- Professional body
- Sports body
- Trade association
- Trade union

Our next report will pick up on the implications and effects of the COVID-19 pandemic has had on the sector. This will be published in 2021 and we will build on this year's initial analysis/results.

We hope that you find the data useful and a way to benchmark and consider your own organisation based on this summary data.



Helena Wilkinson  
**Partner and Head of Charities and  
Not For Profit at Price Bailey LLP**

In 2019 the MemberWise Network launched the Influence 100 List in celebration of the size and scale of the largest 100 membership bodies in the UK that represent over 41 million individual and organisational members.

In 2020/21 we take the Influence 100 List to the next level with deep financial insight contained in this exciting new financial benchmarking report delivered in partnership with leading accountancy firm, Price Bailey.

The Influence 100 List is an invaluable tool for senior management team members (of membership bodies of all shapes and sizes) who wish to compare and contrast their size, scale, reach and now (thanks to this report) financial and sustainability related facts/figures.

The COVID-19 pandemic will undoubtedly impact on the current rankings/membership totals, however it is important for the membership sector to have a starting point for future years to be compared and contrasted.

The list is constantly changing, so it is expected that some organisations will rise up the table and others will fall. The latest version of the Influence 100 List (and entry criteria) can be found at: [www.memberwise.org.uk/influence100](http://www.memberwise.org.uk/influence100)

The list is complemented by a range of key sector specific statistics, a map containing the regional locations of these organisations' national headquarters.

I hope that you read this report with interest and would like to thank Helena Wilkinson and Price Bailey LLP for taking this content to the next level.



Richard Gott  
**Chair / MemberWise Network**



**MemberWise**

As a UK digital agency serving Influence 100 Membership bodies with website, online community, mobile application, design and hosting services, Cantarus is delighted to support this ground-breaking new benchmarking report.

The largest membership organisations share many common challenges. While their operational practices vary, each has a unique culture that distinguishes them and their members. The most effective organisations underpin effective strategies with robust digital roadmaps and data-driven decision making as regards technology investment to drive member value, retention and engagement whilst elevating revenue and productivity.

Our partnerships with these organisations has driven us to offer innovative solutions to the benefit of all our clients in the sector, and we are pleased to offer our support and guidance to membership bodies of all sizes.

Thank you to Price Bailey and MemberWise for developing this essential resource.



Lee Adams, CEO, Cantarus  
0161 971 3200  
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**CANTARUS**



# Overview

We have analysed and assessed the financial data from the MemberWise Network’s list of the largest membership organisations (The Influence 100 list) to look at the financial data available in the public domain and compare these organisations to reveal a number of interesting facts and statistics.

The list includes the largest 100 organisations by membership numbers and thus if there is more than one organisation with the same number of members, it is shown as a tied position and the list is slightly longer than 100 in total.

Of the 108 organisations on the list, we were able to extract and analyse data on 102 of these. The total number of members covered in this review is over 41 million and produces an average membership per organisation of 402K.

Only 20 organisations in the sample have more than 400K members so the majority are well below this average.

These organisations can be classified into 8 specific groups as follows:

Membership type	Number of organisations	Average number of members in each category	Average yearly membership fee per member	Membership income as % of Total income	Average yearly fee per member based on all income
Business association	2	186,500	£668	28%	£1,773
Consumer body	15	331,316	£195	53%	£345
Donation based charity	21	544,429	£204	47%	£416
Political Party	5	187,800	£232	43%	£494
Professional body	28	111,543	£129	46%	£368
Sports body	15	155,667	£58	41%	£158
Trade association	6	109,167	£56	31%	£195
Trade union	10	1,719,500	£14	29%	£44
<b>Overall</b>	<b>102</b>	<b>402,213</b>	<b>£50</b>	<b>44%</b>	<b>£116</b>

The above table shows that there are two categories with large numbers of members over the average for the group– being trade unions and donation based charities which have the most members.

"The two that pop out when I look at the table are the professional bodies and donation based charities."

- Richard Gott

"If you consider the number of organisations then these two do pop out as having the most representation in the Influence 100 List." – Helena Wilkinson

Remaining membership types are all below the overall average for the group. However as three organisations in this population have membership of 5M or above, they do skew the sample and averages. If these organisations are stripped out then the average membership level falls to 222K.





# Income analysis

With regards to membership income, only 3 organisations did not record membership income in their financial statements and so recorded zero income per member as a fee. Therefore the vast majority (99) did allow for a calculation of total and membership income per member which varied from £1,978 per member and fell to £0.11 per member in the overall population (average being £116 for total income). The average per each sub category is shown in the table above.

Influence 100 Average Membership Annual Membership Fee: £50

Plotting the average membership fee by member (taking out the 3 largest members) gives the following scatter chart – most membership is less than £200 per member, with the less than £100 per member having the highest concentration.



Part of the reason for the lower membership fees is that some of the organisations are umbrella bodies and therefore they charge affiliated groups/associations for fees which reduces the amount per member charged to them as the umbrella body. For consistency the calculations have been calculated by the total membership on an individual basis.

Notably the membership income as a percentage of all income received demonstrates that less than half of the total income on average in an organisation comes from membership income (44%).

Within the separate categories of membership type this average varies between 28% and 53% of total income. Therefore this indicates that generally membership organisations have diversified away from pure membership income when earning their income in a year.

This is supported by the detailed data whereby two thirds of the organisations earn less than half their income from membership fees. The pandemic may result in decreased membership income in the future, particularly where the amount is voluntarily given rather than a professional requirement for instance. A diversified income stream allows for organisations to be more resilient to potential change although it is important to understand how much other income is derived from the membership – such as CPD (Continuing Professional Development) and training, conferences and events income or examination fees.

**FACT: The 6th Priority of Membership Bodies in 2019/20 is to grow income. The 7th priority is to diversify income.**

*\*Finding taken from MemberWise Digital Excellence Report 2019/20*

We have not analysed the income streams in depth as to how they are generated and would envisage from experience that the actual member driven income will be higher than indicated purely by fees paid. This will be considered in the next study to see how much reliable data can be extracted from publicly available information. As would be expected there is a range of everything in-between from 1% to 100% of total income coming from membership. Not all organisations are that well diversified.

**1/5 of membership organisations are membership income dependent  
(with 75% of income derived from membership)**

These organisations, which are less diversified, are at a higher risk to income loss as their future is tied into the success of their membership offering and income generation. Total income per member has generally fallen by 1% over the whole population when comparing income per member generated this year with last using the same membership numbers year on year. This represents a fall in over £60M over all of the 102 organisations. It would be natural to expect income to grow per member, not fall. This overall fall masks general increases in the population. In fact nearly two thirds, 62 organisations, showed membership fee growth from one year to the next – 21 of which were in the professional body category, 13 in the donation based, 9 in the sports body and 4 in the political party categories.

Membership type	Number of organisations	Change in total income £M
Business association	2	0.7
Consumer body	15	17.3
Donation based charity	21	71.4
Political Party	5	-26.8
Professional body	28	0.1
Sports body	15	-10.6
Trade association	6	-11.4
Trade union	10	-145.1
<b>Overall</b>	<b>102</b>	<b>-60.4</b>



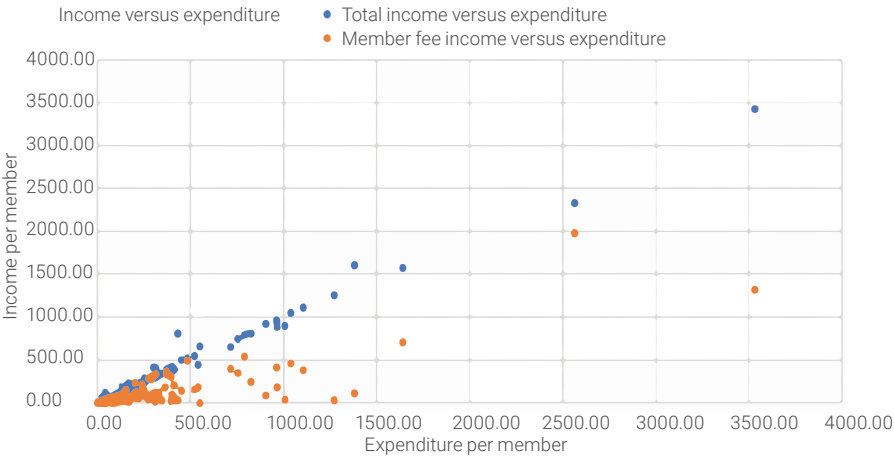


# Expenditure analysis

Most membership organisations do not recover the costs of looking after their members from their membership fees.

This has always been a fascinating aspect of membership organisations – hence although average income per member is £50, the average total cost of running the organisation per member is £112 – more than double the membership fee income. Therefore membership organisations have to generate income from other sources in order to be able to look after their members and carry out other aspects of their activities such as education, training and policy work. Income diversification is a necessity to find the additional £62 per member to run these organisations.

There is also a very curious statistic that where more income is earned overall per member then the more is incurred in costs per member overall in the organisation – so that it is almost a linear correlation as demonstrated in the next chart with the blue dots which compares annual income against expenditure. The orange dots show that virtually all organisations earn less income per member than their overall costs.

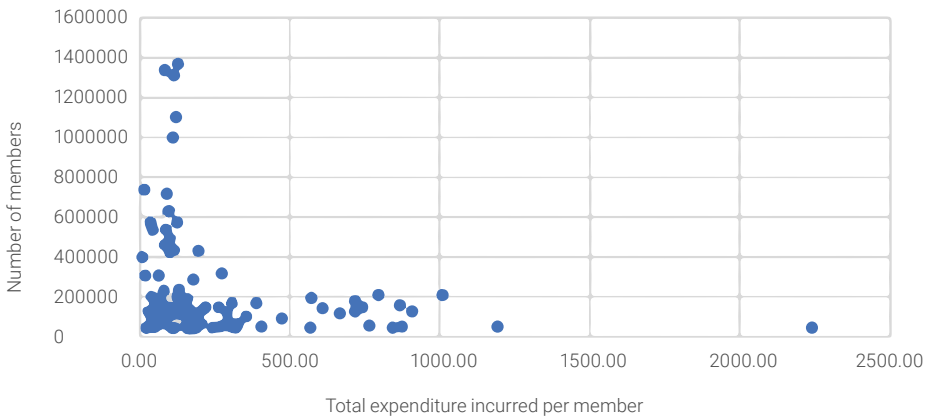


Looking at each category gives the following analysis:

Membership type	Average yearly membership fee per member	Average yearly total cost of organisation per member	Average yearly surplus / (subsidy) in the organisation per member
Business association	£668	£1788	(£1,120)
Consumer body	£195	£331	(£136)
Donation based charity	£204	£432	(£228)
Political Party	£232	£489	(£257)
Professional body	£129	£346	(£217)
Sports body	£58	£138	(£80)
Trade association	£56	£193	(£137)
Trade union	£14	£49	(£35)
<b>Overall</b>	<b>£50</b>	<b>£112</b>	<b>(£62)</b>

Looking purely at expenditure then the chart, ignoring the largest three organisations, is as follows:

Expenditure per member



It is helpful to consider the make up of the costs in these organisations, particularly staff costs. Not all organisations have disclosed their staff costs data in their accounts – only 90 out of the 102 organisations. The overall amount incurred on staffing for these organisations represents 40% of the total costs.

In the short term furlough may have assisted organisations in saving costs, especially in areas where income has dried up (e.g. with conferences and events), but moving forwards the use of staff resources will merit significant attention being such a high proportion of overall costs incurred. How staff are retained and utilised to support exiting income streams as well as new income generation potential will be an important aspect of driving efficiencies, sustainability and profitability.

Staffing levels and utilisation, in a remote environment where many will be working from and continuing to work home, coupled with the use of premises and their location in the future needs to be a key focus of attention. Dealing with the challenges of managing in this new norm, thinking carefully about mental health and wellbeing, loneliness, work efficiency and organising social interaction on a telephone or through a computer screen rather than face to face. Many will have enjoyed not commuting and the ability to gain back some time in their day so that we can enjoy other things in life. It is very clear that organisations will need to fundamentally review their staffing and office strategy.

**MemberWise Insight: There has been pressure on Membership Team resource, particularly those responsible for the delivery of conferences and events. However, the prevalence of virtual conferences/events has seen responsibilities redeployed in this area. It is predicted this is a short term phenomenon and that hybrid/face-to-face will emerge in medium term.**

As a society, we have all learnt new skills, new ways of delivering our services and activities and are much more digitally active than previously. What can be retained, adapted and evolved to run the organisation more effectively; and what needs to be reinstated? For example a virtual conference can attract a much wider international participation, especially from less developed countries or from individuals who would not have access to travel budgets to attend in person - so the lessons will be around how to create the engagement of attending a conference and enabling conversation versus a wider participation. Both offer pros and cons which are worth exploring.

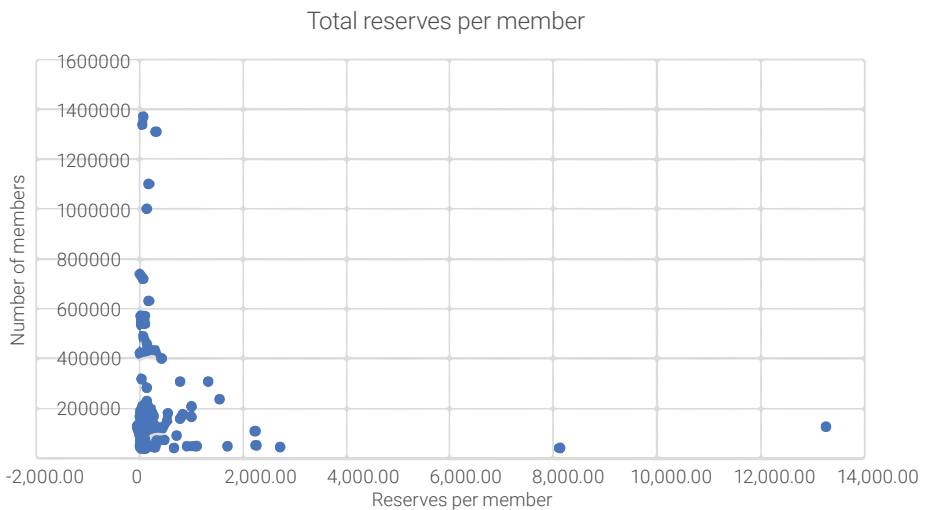
Overall expenditure per member has increased by 3% over the whole population which roughly equates to the rate of inflation and therefore is in line with expectations that costs increase year on year. This means that there is even more pressure on membership organisations to grow their income year on year to cover their increased costs. Contrary to this, 52 organisations have less income than the prior year. This increase in overall expenditure incurred by these organisations was £136M versus a £60M fall in overall income. This is further supported by the surplus for the year which has fallen from £312M to £116M – therefore an additional cost of £196M overall from one year to the next for increased costs and loss in income.



# Reserves

Moving to the balance sheet, the average total assets of the organisation per member equates to £210 which falls to £85 per member if the fixed assets (land and buildings, fixtures and equipment etc) are removed. This means that based on average income of £50 per member there is only 1.7 times each members annual income being held in the reserves of these organisations. This equates to approximately 75% of one years worth of expenditure or about 9 months. Although expenditure is not always a good measure to use for reserves, it is commonplace in the charity and not for profit sector for reserves to be stated in terms of months of expenditure cover.

Reserves are the amounts that an organisation holds, after removing fixed assets, which allow it to invest in future activities and plans, survive losses and periods of low profitability, afford to pay redundancies and generally manage its future.



The above table demonstrates that there are many organisations which are very close to the left hand edge - i.e zero. Few organisations are fortunate enough to have substantial reserves and these figures in the chart above include fixed assets. The reserves have increased by £8 per member from an average of £202 per member to £210 per member in the latest statutory accounts and this demonstrates that the balance sheet overall has remained relatively static.

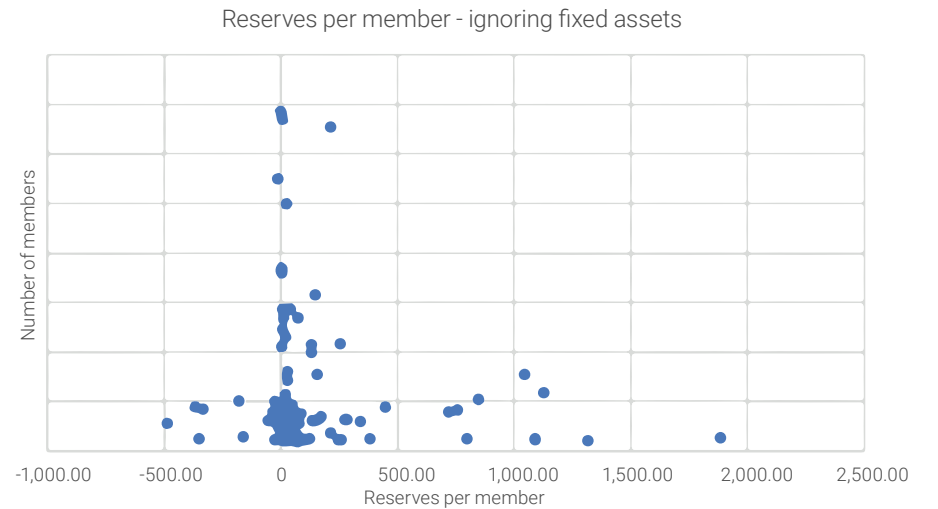
Fixed assets are used by organisations predominantly to deliver their services and activities and therefore they are generally recorded at the amount they cost – which is rarely their realisable value.

Fixed assets can be disposed of – so a building sold and premises leased instead as an example of this – however as they are usually required for the ongoing continuation of an organisation, it is sensible to consider reserves of the organisations with these fixed asset figures removed.

The next chart shows the average reserves per member if fixed assets are removed (again with the largest three omitted). Seven organisations have no such reserves remaining as their fixed assets are more than the total assets. The chart shows these seven organisations on the far left of the vertical axis with negative reserves– and many more organisations are closer to this axis than on the total reserves chart. These reserves per member are an average of £85 per member - moving from £81 per member in the prior year so again a very small change and half the overall change in total reserves which have changed overall by £8 per member. This shows that generally organisations have invested in fixed assets in the period – these have increased from £4.4 billion to £4.56 billion in total for all organisations.

This is also demonstrated by the fall in average reserves per member of £125 when fixed assets are removed from the £210 total reserves to the £85 average with them removed. The organisations in total have £8,601M (over £8 billion) in reserves which falls to a total of £3,614M (over £3 billion) when the fixed assets are removed.

Most membership organisations hold these excess funds, not invested in fixed assets, in investments – which are invested in stock markets and property to deliver a return to the organisation and some £3,824M is invested at the balance sheet date for 79 out of the 102 organisations – and average of £93 per member across the whole population.



Therefore when looking at how much reserves each organisation holds based on its membership fee it is quite a low level – at only 1.7 times an annual membership fee. Furthermore, following the pandemic and its effect on property and stock markets, the £3.8 billion invested by the 79 organisations may have been reduced by a fall in the markets depending on where and what these funds are invested in and more importantly will also likely have a reduced income stream in the future.

There have been suggestions and indications that investment income yields will be depressed as a result of the pandemic affecting the results and profitability of stock market companies and estimates have widely varied from 10% to 40% reduction.

Another factor which can influence the reserves of an organisation is if they have a defined benefit pension scheme – which requires the organisation to recognise a liability of the estimated pension scheme as a creditor on its balance sheet. Only 11 organisations have such a defined benefit pension scheme liability amounting to £399M liability in total – predominantly 5 in professional bodies sub category and 4 in donation based sub category and is the reason why 4 of the membership organisations have negative reserves when fixed assets are removed. The defined benefit pension scheme liability represents the total potential future costs of the pension scheme – not the annual amount that is required to be paid and is a very long term debt. This has an effect of reducing the average reserves by member by £10 – therefore the average member figure would be £220 for all reserves and £95 ignoring fixed assets if this liability was removed.





# Conclusions

Following on from the earlier comments on a fundamental review of purpose, delivery of services and from where future income will arise, it is important that the organisations have undertaken scenario plans to understand the implications of future plans and change on their organisations. Another aspect which also needs to be factored in is Brexit and how this will affect the organisation – suppliers and supplier chains, income recognition, compliance issues like VAT and GDPR, staffing and resourcing could all be affected. Those which are fortunate to have significant investments may need to think about future income generation of these assets and the levels achievable, whether there is a need to realise some of these assets to fund activity perhaps or if there is a need to rebalance the risk in the investment portfolio and the timing of this will be key.

Reserves tied up in fixed assets could be able to be freed up and become available to the organisation – particularly for premises and the future needs of the organisation which may require consideration in a new normal. Where does the organisation need to be located and the size of these premises will feature as part of the future strategic direction for many organisations.

**What is very clear is that all organisations need to carefully review their budgets, forecasts and future plans and adapt these under different scenarios to plan out how they will survive in the short and medium term.**

When action needs to be taken and how Boards be alerted to those trigger points requiring changes to the strategy will be crucial. How will the organisation be affected in the short and medium term? Regular budgeting and forecasting can improve resilience, improve decision making and help Boards to adjust the strategy where needed – but does need to feed into scenario planning and understanding the implications of the operational and financial data.

There is a need to reconsider risk which includes financial risk, staff risks and risks to the activities carried out. Can they afford to still be undertaken and funded. For instance events and conferences and how will these be delivered or policy work/ campaigning, which tends not to generate income. The organisation's business strategy will need revisiting and perhaps be set aside in favour of a new short term plan to ride out the virus period. All new plans will need a streamlined model for decision making – this is not a time to move slowly – but make sure all key stakeholders are involved.

Memberwise insight: We have seen situations where membership has grown significantly for some organisations in the influence 100 group since the start of the pandemic – perhaps driven by furlough where individuals had time and resources to join such organisations to pursue leisure activities; and others where their membership has been decimated and redundancies announced. These may be viewed as short term blips or could be longer term indicators of trends for that organisation and it is important for each membership organisation to try and understand its members and their intentions.

It will be very intriguing to compare the membership numbers, income and reserves of these organisations in the next couple of years to see how well they have managed through the pandemic and also to see how much reserves have needed to be realised – both in terms of investments and perhaps also fixed assets.

Don't forget that decisions you make now may have long term effects on the organisation, not just financially, but in terms of its reputation and outcomes. Careful risk assessment in the short term and involvement of Board, management and stakeholders is undoubtedly the best way to make sure those decisions take the best possible route, rather than unintended consequences. Maintaining existing members, growing new members and delivery of prime services will all no doubt feature.

This survey may be a useful tool for benchmarking your organisation. The online community, conferences and training available from MemberWise are invaluable in helping organisations to understand and inform their future strategy and scenario planning.





Price Bailey, founded in 1938, specialise in owner managed businesses and have specialists covering all areas of accounting, tax, audit and advisory. Over our 80 years, as well as supporting thousands of our clients to grow, we have also grown and are now the 26th largest accountancy firm in the UK. Despite this we continue to focus on relationship centric client engagements.

We have 11 offices covering East Anglia, London and have strategic international presence. Our offices house nearly 400 of our team, with a 30 strong partnership team. We are careful with our recruitment and aim for our service offering to be a 'one stop shop' for business owners and management teams.

Our ambition is to be trusted advisors to all those we work with. To do this we have crafted our service offering to add value at every stage of a business life cycle; and produce a large amount of relevant content through our Content Hub. Our Content Hub is a library of blogs, articles, podcasts and videos created by our specialists with the aim to keep our clients up to date with the ever changing landscape for business owners.



**MemberWise**

The MemberWise Network is the leading free network for Membership and Association Professionals. Members who work for Influence 100 membership organisations can enjoy the following benefits:

### **The latest Influence 100 List**

The list can be accessed via the MemberWise Network's website – [www.memberwise.org.uk/influence 100](http://www.memberwise.org.uk/influence100). The list is complemented by sector insight and key statistics/facts about the UK Membership Sector. The list is updated each year and if figures require updating please contact [info@memberwise.org.uk](mailto:info@memberwise.org.uk).

### **The Influence 100 Online Community**

We have created a dedicated online community for C-Suite/Senior Management Team Members working within Influence 100 membership organisations. The community enables online discussion, benchmarking, best practice guides, member directory, online mentoring programme and digital copies of this guide. The community is hosted on MemberWise Connect. Visit [connect.memberwise.org.uk/influence100signup](http://connect.memberwise.org.uk/influence100signup)

### **Recognised Supplier Directory**

Over 150 reputable suppliers (including Price Bailey) provide solutions for the Membership Sectors feature in the MemberWise Recognised Supplier Directory and this resource is available via the MemberWise website – [www.memberwise.org.uk/directory](http://www.memberwise.org.uk/directory)

### **Conferences, Events and Webinars**

Our popular programme of benchmarking/networking events are attended by thousands of professionals each year. Find out about our latest face-to-face/virtual event in the events section of the MemberWise website – [www.memberwise.org.uk/events](http://www.memberwise.org.uk/events)

## Appendix 1 – Influence 100 (Largest UK Membership Organisations) List 2020/21

Membership Body
National Union of Students (NUS)
The National Trust
Trades Union Congress (TUC)
Unison
English Heritage
Unite
Rotary International Britain & Ireland
Royal Society for the Protection of Birds (RSPB)
Caravan and Motorhome Club
England Golf
The Camping and Caravanning Club
GMB
The Wildlife Trusts
Worldwide Wildlife Fund (WWF)
The Labour Party
Girlguiding UK
The Scout Association
National Education Union
Royal College of Nursing (RCN)
Union of Shop Distributive and Allied Workers (USDAW)
University of the Third Age
Supporters Direct
Royal Horticultural Society (RHS)
British Gymnastics
Oddfellows
The National Trust for Scotland
National Association of Schoolmasters/Union of Women Teachers
United Grand Lodge of England
Royal British Legion (RBL)
Boundless (CSMA)
Association of Chartered Certified Accountants (ACCA)
The Women's Institute (WI)
Wildfowl and Wetlands Trust
Historic Environment Scotland
Communication Workers Union (CWU)

The Campaign for Real Ale (CAMRA)

Confederation for British Industry (CBI)

Federation of Small Businesses (FSB)

The Law Society of England and Wales (TLS)

The Woodland Trust

England Athletics

Youth Hostels Association (England and Wales)

Institution of Engineering and Technology (The IET)

British Medical Association (BMA)

Civil Service Sports Council (CSSC)

Association of Accounting Technicians (AAT)

Chartered Institute of Personnel and Development (CIPD)

Institute of Chartered Accountants of England and Wales (ICAEW)

British Association for Shooting and Conservation (BASC)

British Cycling

England Hockey

The Wine Society

Prospect (Union)

Greenpeace

Chartered Management Institute (CMI)

Chartered Insurance Institute (CII)

The Tate Museum

Royal Institution of Chartered Surveyors (RICS)

Scottish Nationalist Party

The Conservative Party

Public and Commercial Services Union (PCS)

The Art Fund

University and College Union (UCU)

Institution of Mechanical Engineers (IMechE)

The Ramblers

Kew Gardens and Wakehurst

Royal Yachting Association (RYA)

British Horse Society (BHS)

England Netball

The Liberal Democrats

Institution of Civil Engineers (ICE)

British Computer Society (BCS)

Countryside Alliance

British Mountaineering Council

British Psychological Society (BPS)

Royal Air Forces Association

Association of Independent Professionals and the Self Employed (IPSE)

Chartered Institute of Procurement and Supply (CIPS)

Cycling UK

Coeliac UK

Institute of the Motor Industry (IMI)

Spotlight

Chartered Society of Physiotherapy (CSP)

The National Farmers Union (NFU)

English Bridge Union

Historic Houses

Educational Institute of Scotland

Institute of Physics (IoP)

National Childbirth Trust (NCT)

Royal College of General Practitioners (RCGP)

The Boys' Brigade

The Pony Club

Royal Society of Chemistry (RSC)

The Green Party

British Association for Counselling and Psychotherapy (BACP)

Badminton England

Royal College of Midwives

Institution of Occupational Safety and Health (IOSH)

British Judo

St John Ambulance

Chartered Institute of Securities and Investment (CISI)

Chartered Institute of Building (CIOB)

Crohns and Colitis UK

Royal Institute of British Architects (RIBA)

Royal Pharmaceutical Society (RPS)

England Table Tennis

Institution of Chemical Engineers (IChemE)



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