

Treasurer's Report for the Year Ending 30 September 2020

The Financial Statement for the year ending 30 September 2020 had previously been sent to all members with the Winter Newsletter but was shared on screen during the Report.

The layout of this year's Statement is different from those produced in previous years and is now in a more conventional format. The first page contains a summary of the u3a as a whole with income and expenditure figures shown separately for the 3 components of the u3a, being the General Fund, the Social Fund and the numerous Interest Groups. The Notes to the Accounts on subsequent pages show fuller details for each.

The most notable aspect is the sizeable drop in the income and expenditure figures from well over £200,000 last year to around £70,000 this time for reasons we understand only too well. Overall, a surplus of income has been generated increasing our total Reserves by around £1,000 to some £51,000. The vast majority of this is held in bank balances and cash.

Note 3 is particularly significant this year as it confirms the view of the Committee that, despite everything that has happened over the past 12 months, there are sufficient reserves to continue operating for the foreseeable future. Note 9 later on expands on this a little.

Note 4 covers the **General Fund** (which basically covers the running of the u3a) and includes a full breakdown of income and expenditure. This shows member subscriptions at £10,794 which is a decrease equivalent to about 57 members compared to the previous year. This is no doubt at least partly due to having to cancel the New Members Meeting normally held in March when we would have expected to have signed up quite a few new members. Our other main income stream is the Gift Aid claim which has also decreased somewhat in line with the lower subs received. Sundry income has also fallen and a full breakdown is shown on the next page.

Moving onto costs, the largest one as always is the payment to the Third Age Trust at £6,548 which accounts for £3.50 of every membership fee we receive. This was higher than last year despite the reduction in subscriptions, as it is paid a year in arrears so is calculated on the 2019 membership which was higher than in the previous year. We have already been advised that this charge is being increased to £4.00 per member with effect from Spring next year.

The fee for the Beacon Licence is £1 per member as at 31 March in the year it is payable, so the small increase does not correspond to the TAT increase. This charge is also something that we have no option but to pay if we are to continue to be able to run the u3a efficiently.

The other major expense is postage and printing costs but these have been reduced through having one less Newsletter during the year and efforts made to slim down the Handbook at the start of 2020. Savings were also made on Meetings due to the cancellation of the New Members Meeting in March (as previously mentioned) and the usual Leaders Lunch in September, as well as our Committee Meetings moving across to Zoom.

The overall outcome for the year was surplus of £986 which in some ways is welcome after two years of shortfalls, but in reality it is tinged with much sadness given that the underlying reasons revolve around the cancellation of so many events & activities and the closure of a Group. The surplus means that the General Fund reserves remain strong at around £14,500 with at least a typical 12 months' worth of expenditure in hand in line with our Reserves Policy.

The breakdown of the sundry income is in note 4.5, which this year mainly comprises funds handed over on closure of the Line Dancing Group. The total is lower than last year when we were fortunate to receive significant commission from the Third Age Trust Affinity Scheme with Riviera Travel. It is likely to be some time before we see any more income from this source.

Note 5 covers the **Social Fund** showing regrettably no Visits and just 2 Talks this year, but these did prove to be very popular and generated a surplus which covered the cost of the Cyber Crime Awareness Talk which was made available free to members given the importance of the subject. Thus there was an uplift in the reserves for future activities, although these do include a down payment of £155 for a trip on the North Somerset Steam Railway which unfortunately had to be postponed last summer. This payment has been retained by the Railway and it is hoped that it can be used towards a rescheduled trip at some stage in the future.

Note 6 covers the financial aspects of the numerous **Groups** that are the lifeblood of the u3a. Thanks were extended to Group Leaders and Treasurers who provided the necessary financial details of their Groups so that these could be consolidated within the overall Financial Statement which is now a requirement of the Third Age Trust and the Charity Commission. Particular thanks were conveyed to those involved with the Groups that our Independent Examiner wished to examine in more depth and their co-operation in providing additional information to assist him with this important task was greatly appreciated.

The completion and independent examination of the Statement was finished by the end of December which was considerably earlier than the previous year when it was being done for the first time. However, even this timescale would still have been too late to be ready for the traditional AGM timing of mid-November, so as alluded to in the Chairman's Report, February will need to become the new regular date for the AGM in future.

Note 6.2 provides a breakdown of our Groups, with the 5 having the highest income this year shown individually and the other 59 Groups that handle money being amalgamated in order to keep the Statement to a manageable length. In addition to these Groups, there are a further 20 that do not have any financial transactions, making a total of 84 Groups which were active during the year.

The breakdown shows a combined income of some £57,000 and bearing in mind that total income last year was around £194,000, the scale of the disruption caused by the lockdowns and restrictions is clear to see. While we were able to have almost 6 months of normal activities before the first lockdown started, the reduction in the finances is far greater than 50%. This can be explained by the fact that most of the higher cost events (i.e. Trips, Visits, Holidays,

Concerts, Shows, etc.) either tend to be booked and paid for quite a long time in advance – so in many cases the financial transactions took place in the previous financial year, or they take place during the summer months – and most didn't take place at all.

The breakdown shows expenditure being almost exactly the same as income, but there was obviously a mix of surpluses and shortfalls across individual Groups. Generally, those that have recorded shortfalls have been due to conscious decisions to run down reserves which were unnecessarily high and it was confirmed that there are no Groups causing concern over their financial stability and their ability to continue activities as and when they can. There was one Group with a nominal reserves deficit last year but this is now showing a positive position.

Note 9 mentions the Coronavirus outbreak as a Significant Event, as this has clearly caused much disruption which is likely to continue for a while yet. However, looking to the future, Reserves at the end of last year were healthy and subscription income subsequently received for 2021 has been over 90% of that received for 2020. As such, the ability of the u3a to continue operating from a financial perspective over the coming year and beyond appears to be sound.

The Report of Ian Gross, our Independent Examiner, is in draft at the present time pending approval of the Financial Statement by the members, which we will come onto in a moment. The Committee have invited Ian to continue in the Examiner role for the current financial year and he has accepted this invitation. This is an important issue, particularly given the scale of our finances, and the Committee would wish to place on record our thanks for Ian's thorough and thoughtful attention to this time consuming task.

Four questions were received, one in advance and three from the audience.

1. From Rex Sackett – seeking clarification on whether the Financial Statement had been drawn up on 'Receipts & Payments' or 'Accruals' basis.

Clarification given, basically a bit of both which is unorthodox but considered most appropriate method of showing true worth of, in particular, the larger Groups that tend to have debtor and creditor positions. Next year's Statement to explain this more clearly.

2. From Rosie Bailey – seeking guidance on financial requirements on proposed merger of two Groups.

Advised that the reserves of both constituent Groups could be retained for the purposes of running the new combined Group.

3. From Betty – have we run out of money, bearing in mind subscriptions were increased from £6 to £7 for 2021?

Confirmed that we had not run out of money but ran through rationale for this modest increase as set out in the Autumn Newsletter to all members.

4. From Tony Turnbull – why did Third Age Trust think it necessary to increase annual payment from £3.50 to £4.00 per member?

The Chairman gave details of recent and proposed TAT projects, including recent rebranding, and pointed out that the present payment amount had been in place for a number of years now. Mentioned that we, along with other local u3as had voted against any increase but the majority of votes were in favour.

Steve Hughes,
Treasurer,
Thornbury u3a.

The Financial Report was accepted.
Proposed by Rob Walters, Seconded by Cilla Farquhar.

Approved - 297 votes in favour, 0 not in favour and 8 abstentions