

PRESTON & DISTRICT u3a

2022 AGM

TREASURER'S REPORT FOR THE YEAR ENDING 31ST DECEMBER 2021

Introduction

The final accounts of Preston & District u3a (the u3a) have been produced in accordance with the Financial Reporting Standard (FRS) 102 and the relevant Statement of Recommended Practice (SORP) as applicable to small charities, together with guidance issued by the Charity Commission and the Third Age Trust (TAT).

Within the remit of these accounting standards the u3a is classed as a membership organisation as our main income is derived from our members through the annual membership fee and attendance at interest groups, events and meetings. Further income is received by claiming Gift Aid on the eligible membership fees.

One of the fundamental principles of charity accounts requires all incoming and outgoing resources to belong to a fund. The u3a funds are classed as unrestricted funds, these are funds that are available for the purposes of the Charity to be spent as the Trustees think fit. Within this classification there are two distinct elements:

- Designated funds, for our u3a these relate to the Interest Group funds. The expenditure created by the Interest Groups is paid from the income generated (attendance fees) by the Interest Groups.
- General funds (all other income) these may be used for any other expenditure of the u3a.

2021 Final Accounts

2021 has again been a difficult year, the Covid-19 pandemic continued to affect all our lives and we have been unable to enjoy a full year of u3a activities and events. The financial impact of this is reflected in the final accounts.

The Statement of Financial Activity (SoFA) and the Balance sheet, attached as Appendices A and B, show the figures for the 2021 accounts in the first column and the second column shows the figures for the 2020 accounts as reported to the AGM last year.

The accounts have been subject to an independent review by Mr Eric Fazackerley and no areas of concern have been identified.

Notes to the Accounts

SoFA - Designated Funds (Interest Groups)

Interest Groups were allowed to resume face to face meetings in July 2021 though it was September before the majority resumed. Earlier in the year some Interest Groups used Zoom and some of the outdoor groups were able to meet when the lockdown rules allowed. Members attending these groups did not have to pay the normal attendance fee. For the four months we have been fully operating during 2021, Interest Group income of £6,375 was received, pleasingly this was higher than the budget forecast. However, the lower than expected numbers attending the groups and consequently the

income received was not sufficient to cover the accommodation costs and expenses incurred of £8,667. Once again, the Zoom subscription costs of £750 without any attendance fees during the early part of the year pushed up the interest group expenses.

This has resulted in a deficit of £2,292 in 2021 for the Designated Funds.

SoFA - General Funds

There are no particular areas to highlight within the General Funds, though the following items should be noted:

- Membership income for 2021 was £3,703, reduced from the £7,914 received in 2020. This is because, by way of a “thank you” to those members who stayed with us in 2020 and in recompense for the lack of meetings and other activities, the renewal fee for 2021 was set at £4.00. It was pleasing to note that the majority of our members renewed.
- Gift Aid income for 2021 of £463, again reduced from the £1,265 received in 2020. The reduction in the renewal fee to £4 had a direct consequence on the amount of gift aid we were able to claim.
- The reduced income and expenditure in 2021 for Monthly Meetings and Events, etc. is a result of the pandemic lockdown and therefore a lack of activities.
- The Beacon Annual Licence Fee (£651) and the TAT Capitation charge (£2,296), these charges are based on the number of members in the prior year.
- Publication costs increased slightly in 2021 to £1,869. We were only able to publish one edition of the Good Times magazine. However the printing costs increased as we increased the number of pages. TAT issued the Third Age Matters (TAMs) magazine as normal throughout the year.
- IT Equipment and Maintenance costs incurred in 2021 of £442 included upgrades to our four laptops.
- A four-year straight line method is used for calculating Depreciation.

The deficit for the General Funds in 2021 is £2,821. This is a result of the reduced renewal fee of £4 and the corresponding reduction in the amount of Gift Aid received. However, the payments to TAT in respect of Capitation, Beacon and TAMs magazine remained at the same levels as previous years resulting in the overall General Funds deficit.

Balance Sheet

The value of our fixed assets at the end of 2021 is £111, reduced from £722 in 2020. This is due to the depreciation of existing assets with no new assets purchased in 2021.

Bank balances:

- The operating bank balance is £20,636. This money allows the u3a to continue to operate in the early part of the year until our main income, membership fees, are received. Receipt of income from the Interest Groups is normally spread throughout the year.
- The contingency bank balance, currently £21,007 is maintained with a separate bank and, in line with TAT and Charity Commission guidance, is equivalent to approximately six months operating costs for a normal year. This contingency fund is maintained as part of our risk management strategy to allow the u3a to continue operating in adverse circumstances, for example the failure of our main bank or fraudulent activity on our operating account. The interest rate for 2021/22 is 1.16%.
- Both banks are covered by the Financial Services Compensation Scheme.

The bank balance in the operating account has decreased due to the reduced membership fee as detailed in the earlier part of this report. The membership renewal fee for 2022 is back to the normal £12 and it is hoped that the majority of our members, 700 at the end of 2021, will stay with us. In 2022 it is hoped to operate at our normal levels, however, it may be some time before all our members feel comfortable in returning to face to face meetings.

As a result, the accounts show an overall deficit for 2021 of £5,113 compared to a surplus of £2,340 in 2020 which leaves our overall reserves at £41,754.

Conclusion

In summary, the accounts show that, despite the challenging year and the lack of activities, the Committee has been able to maintain sufficient reserves to facilitate the continued operation of the u3a through the uncertainty of the year ahead.

The u3a operates an Open Book policy with regard to the accounts and these can be viewed by any member upon request.

Acknowledgement

Appreciative thanks go to:

- Margaret Clark, Assistant Treasurer and Peter Kitchen, Membership Secretary for their maintenance and reconciliation of the Interest Group and Membership accounts throughout the year;
- Pat Green, Beacon Administrator for her assistance in producing the annual accounts; and
- Eric Fazackerley for examining the financial transactions.

Margaret Jones

Treasurer- Preston and District u3a

Appendix A

UNIVERSITY OF THE THIRD AGE - PRESTON & DISTRICT BRANCH
STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31st DECEMBER 2021

	31st Dec 2021		31st Dec 2020	
	£	£	£	£
DESIGNATED FUNDS - INTEREST GROUPS				
Income:				
Attendance Fees		6,375		5,360
		<u>6,375</u>		<u>5,360</u>
Less Expenditure:				
Accommodation		6,244		4,430
Expenses		2,424		1,795
		<u>8,667</u>		<u>6,225</u>
Surplus/Deficit for the year - Designated Funds		<u><u>-2,292</u></u>		<u><u>-865</u></u>
GENERAL FUNDS				
Income:				
Membership		3,703		7,914
Monthly Meetings		276		249
Events, Talks, Quizzes, Theatre & Outings		310		1,450
Gift Aid		463		1,265
Other		305		398
		<u>5,057</u>		<u>11,276</u>
EXPENDITURE				
Accommodation:				
Committee		90		15
Monthly Meetings		415		338
Events, Talks, Quizzes, Theatre & Outings		48		350
AGM		0		0
Total		553		703
Activity Expenses:				
Monthly Meetings Speakers & refreshments		643		97
Events, Talks, Quizzes, Theatre & Outings		355		1067
		997		1,164
Other Expenses:				
Training		56		0
IT Equipment Maintenance & Software		442		0
Equipment purchased (under £200)		127		50
Third Age Trust Capitation		2,296		2,551
Beacon Annual Fee		651		727
AGM		102		120
Sundries		66		123
Publications & Distribution Costs		1,869		1,659
Postage, Printing & stationery		30		12
PayPal Commission		77		121
Sub-total		5,717		5,361
Depreciation		611		842
		<u>7,878</u>		<u>8,070</u>
Surplus/Deficit for the year - General Funds		<u><u>-2,821</u></u>		<u><u>3,206</u></u>
Overall surplus/Deficit		<u><u>-5,113</u></u>		<u><u>2,340</u></u>

**UNIVERSITY OF THE THIRD AGE - PRESTON & DISTRICT BRANCH
BALANCE SHEET AS AT 31st DECEMBER 2021**

	<u>31st Dec 21</u>		<u>31st Dec 20</u>	
	£	£	£	£
<u>ASSETS</u>				
Fixed Assets:				
Audio Equipment	0		330	
Bird Watching	0		0	
Computers	111		392	
Furniture	<u>0</u>		<u>0</u>	
		111		722
Current Assets:				
Operational Cash at Bank		20,636		25,377
Contingency Cash at Bank		21,007		20,768
Group Money Received after year-end		0		0
Prepayments & Debtors		0		0
Current Liabilities:				
Membership Fees received in advance		0		0
Payments received for 2020 visits		0		0
Creditors		0		0
Net Assets		<u><u>41,754</u></u>		<u><u>46,867</u></u>
Represented by:				
Reserves b/fwd		46,867		44,527
Surplus /Deficit in Year		<u>-5,113</u>		<u>2,340</u>
		<u><u>41,754</u></u>		<u><u>46,867</u></u>