

## PRESTON & DISTRICT u3a

### 2023 AGM

## TREASURER'S REPORT FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2022

### 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.

### 2022 Final Accounts

From 2021 when Covid prevented us from fully enjoying the benefits of u3a membership, 2022 has been a year where we have begun to get back to normal. The impact of this is seen 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 2022 accounts in the first column and the second column shows the figures for the 2021 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)

Up to the end of 2022. Interest Group income was £19,800, up from the previous year's £6,375. This reflected the resumption of face-to-face meetings for much of the year. However, as had been noted in previous years, there were lower than expected numbers attending the groups in 2022. Consequently, the income received was not sufficient to cover the accommodation costs and expenses incurred of £24,327, resulting in a deficit of £4,528, an increase of almost 50% on the previous year.

## SoFA - General Funds

The main points to highlight:

- Membership income for 2022 was £8,483, an increase from £3,703, a reflection of the increase in the resumption of the £12 fee in 2021 as meetings and activities resumed.
- Gift Aid income for 2022 increased from £463 in 2021 to £1117. With an increase in membership fees, we were able to claim more in Gift Aid.
- Income and expenditure in 2022 for Monthly Meetings and Events, etc. increased as activities resumed after the pandemic lockdown.
- The Beacon Annual Licence Fee (£748) and the TAT Capitation charge (£3,008) are based on the number of members in the prior year.
- Publication costs increased in 2022 to £1,869, as more editions of the Good Times magazine were printed. In 2021, only one edition of the Good Times magazine was published. TAT issued the Third Age Matters (TAMs) magazine as normal throughout the year.
- A four-year straight line method is used for calculating Depreciation.

The deficit for the General Funds in 2021 was £2,821, this year we have a surplus of £1,338. This is a result of the increase in membership fee to £12 and the corresponding increase in the amount of Gift Aid received.

## Balance Sheet

The value of our fixed assets at the end of 2022 is £0, reduced from £111 in 2021. This is due to the depreciation of existing assets with no new assets purchased in 2022.

Bank balances:

- The operating bank balance is £17,346, down from the previous year's £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 £21,254 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 2022/23 is 3.15%.
- Both banks are covered by the Financial Services Compensation Scheme.

As a result, the accounts show an overall deficit for 2022 of £3,190 compared to a deficit of £5,113 in 2021 which leaves our overall reserves at £38,564.

## **Conclusion**

In summary, the accounts show that, despite the return to face-to-face activities and a return to a higher membership fee, we are still in deficit. We have sufficient reserves to continue to operate the branch. However, Interest groups income is currently not sufficient to cover Interest group expenditure.

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 over the year;
- Margaret Jones, as former Treasurer, for her assistance in producing the annual accounts; and
- Eric Fazackerley for examining the financial transactions. Many thanks must go to Eric, who has examined the accounts for several years, and is now retiring. It is proposed that Margaret Jones becomes the new examiner to replace Eric.

Janet Nixon

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 2022**

	31st Dec 2022		31st Dec 2021	
	£	£	£	£
<b>DESIGNATED FUNDS - INTEREST GROUPS</b>				
<b>Income:</b>				
Attendance Fees		19,800		6,375
		<u>19,800</u>		<u>6,375</u>
<b>Less Expenditure:</b>				
Accommodation		18,948		6,244
Expenses		5,380		6,424
		<u>24,327</u>		<u>8,667</u>
<b>Surplus/Deficit for the year - Designated Funds</b>		<u><u>-4,528</u></u>		<u><u>-2,292</u></u>
<b>GENERAL FUNDS</b>				
<b>Income:</b>				
Membership		8,483		3,703
Monthly Meetings		851		276
Events, Talks, Quizzes, Theatre & Outings		5,242		310
Gift Aid		1,117		463
Other		247		305
		<u>15,940</u>		<u>5,057</u>
<b>EXPENDITURE</b>				
<b>Accommodation:</b>				
Committee		150		90
Monthly Meetings		1,391		415
Events, Talks, Quizzes, Theatre & Outings		542		48
AGM		105		0
<b>Total</b>		<b>2,188</b>		<b>553</b>
<b>Activity Expenses:</b>				
Monthly Meetings Speakers & refreshments		646		643
Events, Talks, Quizzes, Theatre & Outings		4,385		355
		<b>5,032</b>		<b>997</b>
<b>Other Expenses:</b>				
Training		0		56
IT Equipment Maintenance & Software		160		442
Equipment purchased (under £200 )		156		27
Third Age Trust Capitation		3008		2,296
Beacon Annual Fee		748		651
AGM		79		102
Sundries		80		66
Publications & Distribution Costs		2,824		1,869
Postage, Printing & stationery		102		30
PayPal & Sumup Commission		114		77
<b>Sub-total</b>		<b>7,270</b>		<b>5,717</b>
<b>Depreciation</b>		<b>111</b>		<b>611</b>
		<u>14,602</u>		<u>7,878</u>
<b>Surplus/Deficit for the year - General Funds</b>		<u><u>1,338</u></u>		<u><u>-2,821</u></u>
<b>Overall surplus/Deficit</b>		<u><u>-3,190</u></u>		<u><u>-5,113</u></u>

## UNIVERSITY OF THE THIRD AGE - PRESTON &amp; DISTRICT BRANCH

## BALANCE SHEET AS AT 31st DECEMBER 2022

	<u>31st Dec 22</u>		<u>31st Dec 21</u>	
	£	£	£	£
<b><u>ASSETS</u></b>				
<b>Fixed Assets:</b>				
Audio Equipment	0		0	
Bird Watching	0		0	
Computers	0		111	
Furniture	0		0	
		0		111
<b>Current Assets:</b>				
Operational Cash at Bank		17,346		20,636
Contingency Cash at Bank		21,254		21,007
Group Money Received after year-end		0		0
Prepayments & Debtors		0		0
<b>Current Liabilities:</b>				
Membership Fees received in advance		(36)		0
Payments received for 2020 visits		0		0
Creditors		0		0
<b>Net Assets</b>		<b><u>38,564</u></b>		<b><u>41,754</u></b>
<b>Represented by:</b>				
Reserves b/fwd		41,754		46,867
Surplus /Deficit in Year		-3,190		-5,113
		<b><u>38,564</u></b>		<b><u>41,754</u></b>