

U3A VALL DEL POP – TREASURER’S REPORT TO MEMBERS
ANNUAL GENERAL MEETING - 5TH MARCH 2020

YEAR 2019

We commenced 2019 with a bank balance of € 6812.71 and closed at 31st December with a balance of € 4981.61. During the year 2019 out income and expenditure against budget figures was as follows:

INCOME: Budget € 4500 – Actual membership fees received € 5310 - a surplus of €810.

EXPENDITURE:

<u>Expenditure Categories</u>	<u>Budget</u>	<u>Actual Costs Incurred</u>
Group Funding	1050	776.50
Professional Fees	1730	3899.87
Committee – Office Costs	915	578.42
Committee Travel	500	259.00
Speakers Fees/Gifts	200	48.08
Hospitality	550	509.54
Poliavent Rent & Caretaker	650	520.00
Care & Share Team	300	264.59
Other Miscellaneous Costs	000	297.53
Totals	5895	7153.53

Overall actual deficit of expenditure against income - €1258.53

YEAR 2020

Anticipated Income € 5600 - Estimated membership of 800 at €7 per capita

<u>Expenditure Categories</u>	<u>Anticipated Budget Expenditure</u>
Group Costs	250
Professional Fees	2730
Committee Costs	1250
Speakers Costs	200
Hospitality	1350
Poliavent	650
Care & Share Team	300
Total	6730

Anticipated deficit of expenses against income €1130

GENERAL OBSERVATIONS

In March 2017 I took over as Treasurer from John Nicholson whose stewardship of the accounts was first class. John had a philosophy that we must always maintain a reasonable reserve fund to meet any future unforeseen expenditure which may arise, - a maxim we have continued to maintain to this day. At the end of each calendar year there have always been accrued funds in the central bank account available to meet any such contingencies, including cover for any deficits of expenditure against income. At the 31st December 2019 our accrued funds bank balance was €4,981.61.

During the past couple of years your committee have agreed where necessary and appropriate to 'ring fence' funds from the bank account accrued funds to meet specific large items of expenditure. Whilst any payment of such large expenditure items must be shown in the accounts they have not generally been included in the normal budget figures. In this regard 50% of the costs for building and development of the new website and members data base was paid in 2018, and the balance was paid during 2019. Likewise your committee have made a 'ring fence' provision of €1,000 for replacement of the sound system we use here at Murla should this prove necessary during 2020.

During 2019 nearly all expenditure items have fallen within budget. The only major variance relates to professional fees where we have spent €3899 against a budget of €1730. This is mostly accounted for by payment of remaining balance of website and members database set up costs, and also payment of the first quarter 2020 web maintenance fees in December 2019. Such quarterly fees are required to be paid prior to the quarterly commencement date.

Whilst we could have presented a budget for 2020 showing a surplus of income against expenditure this could only have been achieved by asking for more money from members. As our only source of income is members annual fees we decided to limit the increase for this year to only €7 per capita and project a modest deficit. This in itself helps us to focus on continuing astute control of our funds. I would however assure members that we still have an adequate level of solvency for this financial year.

All our accounting records have been reviewed by external Assessors - Gilabert & Jaime Assessors of Denia who have given a favourable report thereon. This review not only includes our central accounts but also accounting records for TCET, Cinema Group, and the Goodwill / Charity team. All three of these entities are self funding and do not receive any funds from central account membership monies.

During 2019 strong representations were made by some members who wanted U3A reserve funds to be used for charity donations, but the aims set out in our constitution do not make provision for charity fundraising. As we have always worked on the basis that members funds cannot be used for charitable purposes the alternative route was to facilitate voluntary giving by those members who wished to do so. Consequently a Goodwill / Charity sub-committee was set up and a separate bank account established to ensure isolation of charity funds from all other U3A monies.

As an organisation we are not subject to taxation on monies raised in accordance with the terms of our constitution. However, any other monies raised could be regarded as income and might attract corporation tax – currently 10%. To date no specific tax return on charity income has been requested, or made. Should this arise we need to be aware that preparation of corporate tax returns by external assessors could prove far more costly than the annual audit fees we are now paying. Your committee are aware of this situation and contingency plans are being made. They will continue to keep this matter under review.

For members information our current assets stand at:

€ 7577.36	Central Account – plus cash in hand
€ 5720.60	TCET Account
€ 9.43	Cinema Account
€ 835.96	Goodwill / Charity Account

Our full financial figures are available should any member wish to consult with our Treasury Team. A copy of this report and the external Assessors report will be uploaded to the website.

As I am standing down as Treasurer this will be my last annual report, but I would like to take this opportunity of thanking the committee and members for their support during the past three years. I feel sure you will wish to extend the same support to my successor.

In closing I now propose formal adoption of these accounts.

R.J.Hills – Treasurer

5th March 2020