SUTTON COLDFIELD U3A AGM - THURSDAY 26th OCTOBER 2017

TRUSTEES' REPORT

INTRODUCTION

The Trustees [namely the Executive Committee – hereafter referred to as the Committee] submit their report and financial statements for the year ended 31st August 2017. The financial statements have been prepared in accordance with the accounting guidelines recommended by The Third Age Trust.

The Committee is obliged to report on its activities in various sectors and this report covers:

- Structure and Management
- Objectives
- Membership
- Activities
- Financial Matters

STRUCTURE AND MANAGEMENT

The Sutton Coldfield U3A [SCU3A] comprises a Committee and a number of interest groups which are the lifeblood of the U3A. Each group has its own organising committee/group who via the interest Groups Co-ordinator, or direct if necessary, liaise with the Committee. The Committee consists of up to five officers [Chairman, not more than two Vice-Chairmen, Secretary and Treasurer] and five members all of whom are trustees. In addition, up to two members can be co-opted on to the Committee where they will have the same status and responsibilities as the elected members. Because of the commitments of the committee members the position of Chairman was not filled and to ensure continuity the retiring Chairman was co-opted back on to the committee for the year 2016 – 2017.

The principal governance mechanism of SCU3A is the 10-12 monthly Committee meetings. In addition, the Committee publish a SAGE magazine 10-12 times per membership year, distributed both via e-mail and hard copy, together with electronic MailChimp bulletins, most weeks, to all paid up members. Minutes of Committee meetings are available to members on request and other information is available on the SCU3A website.

The Committee have a risk management strategy which comprises:

- An ongoing review of the principal risks and uncertainties that SCU3A faces.
- The establishment of policies, systems and procedures to mitigate or remove those risks identified in the ongoing review.
- Implementation of procedures/actions designed to minimise, manage or remove any potential impact on SCU3A should those risks materialise.

The committee consider that the two most pressing risks are as follows:

- General lack of membership interest in forming new groups and committee work to ensure the smooth and continual running of SCU3A.
- The continued financial reliance on a small number of groups that provide a financial surplus [e.g. Foreign History, English History and others] to subsidise the remaining groups, with the continuing concern that the disappearance of anyone, and in particular English History, could have a dramatic effect on the financial situation of the rest of the SCU3A groups.

The Committee is closely monitoring the two stated risks and has formulated and is/has implemented strategies to reduce or negate the impact of such risks.

OBJECTIVES

The main objectives of the Committee and principal activities are to:

- Provide support to existing interest groups.
- Assist development of new interest groups.
- Support learning in SCU3A and promote the benefits of self-help learning.
- Ensure the continuance of SCU3A as a thriving organisation.
Development of new interest groups has in effect been on hold for the past year, but thankfully not totally, because of the absence of an Interest Groups Co-ordinator. It is hoped that the new Interest Groups Co-ordinator and her team will correct the situation in the coming year. However, the ideas for, and running of, new groups must come from the membership in the first instance.

MEMBERSHIP

In our last year 01/09/2016 to 31/08/2017 membership increased to 1478 [1438]* of which 240 [285]* were new members. Sutton Coldfield’s membership year runs from 1st September to 31st August and the new membership year has so far produced 1135 to date, of which 78 are new members. This means that over 400 members have yet to renew. [* 2015/2016]

ACTIVITIES

SCU3A currently have 52 Interest Groups: -

43 meet at the URC; 2 meet at the Methodist Church; 1 meets at St Peter’s Church Hall and 6 meet at other various locations.

Information regarding the Interest Groups is listed in the SAGE Centrefold which is distributed to members each month.

New groups that have started in the last membership year 2016/2017 are Madrigal and Conversation Francoise 2. The Madrigal Group commenced 22 December 2016, meet monthly and the organiser is John Bason. Conversation Francoise 2 commenced January 2017, meet fortnightly at the organisers home address and the organiser is John Lee.

FINANCIAL MATTERS

The details under this heading will be dealt with by the Vice Chairman [Finance] and the Treasurer but it is necessary to explain that the principal source of funds to SCU3A is your membership fee which is expended on the administrative overheads of this U3A [approx.40%] and Capitation plus the Third Age Magazine to the Third Age Trust [approx. 60%]. Interest group meetings are aimed to be self-financing with currently the surplus generated by some groups going to support the smaller groups. With increasing room hire charges at Sutton Coldfield United Reformed Church, the surplus generated by the few is therefore reducing making it more difficult to maintain financial support to the other smaller groups. Discussions have taken place in the past membership year with certain groups about their respective financial situations with the result that their attendance fees have been adjusted accordingly in relation to room hire costs. Reserves are held in accordance with the guidelines of The Third Age Trust and as directed by the Committee to meet specific identified risks, when they arise, and for use as a contingency.

CONCLUSION

This has been a year of continuation but little advancement. Using the Trust’s rule of thumb that approximately 10% of the membership should equate to the number of active interest groups, then SCU3A’s total should be approximately 140 groups! SCU3A members have a long way to go before achieving such a target. Do not let the restrictions of the URC building be a restriction to growth. Groups can meet elsewhere and do. Think outside the box, or in this case the building. Open the covers of the magazine Third Age Matters and see what other groups achieve in research, interest groups, one off events, etc. This U3A could do the same with its members support and commitment.

R P Austin-Clapham
Chairman

October 2017

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### Income and Expenditure Account

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<tbody>
<tr>
<td><strong>Membership and Administration</strong></td>
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<td>Membership Fees</td>
<td>15,185.00</td>
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<td>14,560.00</td>
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<td>Gift Aid</td>
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<td>2,490.86</td>
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<td>Capitation (Paid to Head Office @ £3.50 per member)</td>
<td>-5,022.50</td>
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<td>-5,068.00</td>
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<td>Direct Mail (TAM magazine @ £2.20 per member)</td>
<td>-2,437.05</td>
<td>-2,437.05</td>
<td>-1,787.69</td>
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<tr>
<td>Membership renewal costs</td>
<td>-308.79</td>
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<td>-213.85</td>
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<tr>
<td><strong>Net Membership Fee Income</strong></td>
<td>17,652.69</td>
<td>-7,768.34</td>
<td>9,881.32</td>
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<td>Support to Interest Groups</td>
<td>-21.00</td>
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<td>-766.88</td>
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<td>New Members meetings costs</td>
<td>-313.81</td>
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<td>-52.65</td>
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<td>Printing Expenses (including SAGE magazine)</td>
<td>-3,416.00</td>
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<td>-3,841.00</td>
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<td>National AGM/Conference Delegate</td>
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<td>-311.00</td>
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<td>Miscellaneous Income and Expenses</td>
<td>-694.75</td>
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<td>-731.33</td>
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<td>Minor Asset Purchases (under £250)</td>
<td>-421.35</td>
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<td>-378.09</td>
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<td>Depreciation (on assets over £250)</td>
<td>-2,105.97</td>
<td>-2,105.97</td>
<td>-1,445.16</td>
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<td>Bank Interest Received</td>
<td>9.40</td>
<td>9.40</td>
<td>7.13</td>
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<td><strong>Net Surplus</strong></td>
<td>17,662.09</td>
<td>-14,741.22</td>
<td>2,920.87</td>
<td>2,456.34</td>
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### Interest Groups and Outings

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<tbody>
<tr>
<td>Interest Group Receipts</td>
<td>34,200.71</td>
<td>34,200.71</td>
<td>36,099.97</td>
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<td>Other Meetings and Outings</td>
<td>1,029.00</td>
<td>-1,068.00</td>
<td>40.00</td>
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<td>URC Room Costs</td>
<td>-28,274.84</td>
<td>-28,274.84</td>
<td>-28,670.38</td>
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<td>Methodist Room Costs</td>
<td>-1,011.50</td>
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<td>-864.50</td>
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<td>Tutor Fees</td>
<td>-5,149.00</td>
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<td>-5,009.00</td>
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<td>Photocopying Costs</td>
<td>-1,248.38</td>
<td>-1,248.38</td>
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<td>Interest Group Expenses</td>
<td>-766.82</td>
<td>-766.82</td>
<td>-470.38</td>
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<td><strong>Net (Deficit) / Surplus</strong></td>
<td>35,229.71</td>
<td>-37,518.54</td>
<td>102.42</td>
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**Total Surplus for the year** 632.04 2,580.76

### Balance Sheet at 31 August 2017

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<tr>
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<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Accumulated Funds at beginning of year</td>
<td>27,865.73</td>
<td>25,324.97</td>
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<tr>
<td>Surplus for the year</td>
<td>632.04</td>
<td>2,550.76</td>
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<td><strong>Accumulated Funds at end of year</strong></td>
<td>28,517.77</td>
<td>27,885.73</td>
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**Represented by:**

- **Fixed Assets**
  - 8,317.89
- **Less: Accumulated Depreciation**
  - 4,811.04
- **Written Down Value of Fixed Assets**
  - 1,706.85
- **Current Bank Account**
  - 7,746.67
- **Deposit Bank Account**
  - 18,813.35
- **Membership Fees Bank Account**
  - 1,400.00
- **Debtors**
  - 301.00
- **Less: Creditors and Accruals**
  - Membership Fees in advance
  - 50.00
  - 1,400.00

**Net Assets** 28,517.77 27,885.73

An examination of the figures shown in the Sutton Coldfield U3A Accounts for the year ended 31 August 2017 reveals that they are consistent with books and records presented to me.

C Mitton (Independent Examiner)  
J Drummond (Treasurer)  
R Austin-Cripps (Chairman)
SCU3A 2016/17 ANNUAL ACCOUNTS

Summary of Results

The total surplus for the year amounts to £632 compared with a surplus of £2,560 in the last financial year – equivalent to a reduction in surplus of £1,928 (75%) over the previous year. The main changes between the years are a reduction in Interest group Receipts of £1,899 (2016/17 £34,200 – 2015/16 £36,099) and an increase in Direct Mail costs for the TAM magazine of £650 (2016/17 £2,437 – 2015/16 £1,787).

Income and Expenditure Account – Membership and Administration

Overall the committee are aiming to contain the costs of the administration of the SCU3A within the net subscription income paid by members. The annual membership fee was increased from £9 to £10 from 1 September 2015 and it is anticipated that the membership fee will remain at this level for the foreseeable future.

The first part of this section shows the income from membership fees plus Gift Aid receipts, which in total amounts to £17,652 compared with £17,050 in the last financial year, less direct costs. The increase in income is offset by the increase in Direct Mail costs of £650 (£2,437 this year; £1,787 last year), which is paid to post the TAM magazine to members. Overall this shows that out of the total income from membership fees plus Gift Aid of £17,652 (£17,050 last year), SCU3A only receive a net amount of £9,884 (£9,981 last year) with which to cover all the SCU3A central and administration costs.

The next part of this section shows the remaining SCU3A central income and costs, i.e. all the other transactions not specifically relating to Interest Groups, which includes:

- The costs of holding the new members meetings;
- Miscellaneous Income and Expenses (includes committee meeting expenses, AGM and external meeting costs)
- The cost of providing the SAGE newsletter.
- The depreciation charge on fixed asset purchases (see below)

Fixed Asset purchases for items under £250 are written off in their year of purchase, while higher value items are written off over 3 years with the cost shown as a depreciation charge. This year the minor asset purchases include a projector screen and audio/electrical equipment, while the fixed asset purchases costing over £250 consisted of a Projector for use in the Sanctuary (£1,970). The write off cost as a depreciation charge for these higher value assets amounts to £2,105 this year (£1,499 last year). This included a depreciation charge of £1,499 arising from the cost of the assets purchased in previous financial years.

After charging all the central and administrative costs against the net membership fee income a surplus of £2,920 remains for this year compared with a surplus of £2,458 last year. A large part of this surplus will be used to cover the overall deficit arising from the activities of the Interest Groups (see below). The committee are fortunate to have a new committee member who has been maintaining detailed financial analysis records for the income and expenditure of the individual interest groups and the committee are now able to prepare an annual budget at the start of the year, which enables a much closer control of finances to be maintained.
Income and Expenditure Account – Interest Groups and Outings

Overall the committee are aiming for the costs arising from the various Interest Groups activities to be covered by the total income from the Interest Groups as a whole, i.e. to break even. This year there was a net deficit arising from the overall Interest Groups activities of £2,288 compared with a small surplus of £102 last year. The main reason for this deficit is the reduction in attendance fees at interest group meetings of £1,899 (2016/17 £34,200 – 2015/16 £36,099), a fall of over 5%.

In the past the surpluses from just a few of the larger interest groups have covered the deficits being incurred by many of the smaller specialised groups. However, the current deficit situation was anticipated by the committee in their annual forecast. Following discussions during the year with the organisers of some of the interest groups with the largest deficits, three groups were asked to increase their attendance fees during the year and a further two groups will be increasing their fees from September 2017. The committee have only asked for a contribution to the deficits of these groups and not to cover their full costs as the committee is continuing with its policy of overall cross subsidy by the interest groups as a whole. Any future deficits will be funded by a combination of additional small increases to interest group attendance fees and from the group’s reserves.

Balance Sheet

The surplus for the year of £632 has increased the total Accumulated Funds at 31 August 2017 to £28,517. This is represented by:

- Fixed Assets £1,706 – these are assets costing over £250 each amounting in total to £6,317 and reduced by accumulated depreciation of £4,611, after charging depreciation of £2,105 for the year.
- Current Bank Account Balance £7,746
- Deposit Bank Account £18,813 – held in reserve for future unforeseen expenses
- Membership Fees Bank Account £1,400 (£7,285 last year) – represents the amounts paid in advance by members for their 2017/18 fees. A lower amount this year as the membership fee renewal process was started later in the year.
- Debtors £301 – a balance of Interest Group receipts relating to 2016/17
- Creditors and Accruals £50 – tutor fees relating to 2016/17
- Membership Fees in Advance £1,400 – the liability for members 2017/18 fees paid before 1/9/17.

Summary

The SCU3A continues to be in a healthy financial position having adequate reserves to meet any future significant unforeseen costs and is in accordance with the Trust’s guidelines.

Notes:
[1] This document to be read in conjunction with ‘SCU3A – Accounts for the year ended 31st August 2017’.
[2] All figures rounded down to the nearest pound.