

# **Dumfries and Galloway Group of Advanced Motorists and Motorcyclists**

## ***Treasurer's Report***

### ***Financial Year 1 May 2007 to 31 March 2008***

#### **Introduction**

These accounts have been prepared in accordance with the appropriate Charities' Regulations and in the required format set out by the Office of the Scottish Charities Regulator (OSCR). They comprise a Summary Statement of Receipts and Payments, Statement of Balances, Notes to the Accounts and Additional Notes. Together they detail the Group's financial activity over the last eleven months. The Regulations require the accounts to be examined by an Independent Examiner acceptable to the Trustees of the Charity, (the Committee). John Love was approved at an earlier Committee meeting and has duly examined and approved these accounts. A certificate to this effect is attached to the accounts.

#### **Previous Financial Year**

The previous financial year covered the period 1 May 2006 to the 30 April 2007, which left little time to finalise the accounts and to sign them off following an independent examination. Accordingly, the end of year balances were an interim value knowing that transactions after around the middle of April would be carried forward to the next year. To overcome this anomaly the financial year has been reset to the more conventional period April to March, hence this year's accounts cover an eleven month period.

A consequence of this is that the reported balance carried forward into the financial year of 07/08 of £7703 takes account of these remaining items mentioned above and apparently contradicts the reported end of year balance of £4150 in the accounts for 06/07. The corrected end of year balance is reflected in the Statement of Receipts and Payments "Total Last Period" column.

#### **Financial Year May 2007 to March 2008**

The accounts in OSCR format may seem complicated but they do set out with some rigour a clear picture of the Group's financial activities. A full explanation of the terms used is available on the OSCR web site. A list of individual items of receipts and payments and how they relate to these OSCR headings is set out below.

The Accounts refer to Fund types and subdivides them into restricted and unrestricted. The restricted fund is for those monies donated to the group for the explicit purpose of coaching associates whether aged under 25 or not. This is self regulating as we will spend only up to the donated amount. The unrestricted fund is the day to day running of the Group. It is this fund which will show a surplus or deficit and indicate how the Group's finances are performing.

So what do these figures mean?

The restricted fund shows a deficit of £2819 because the majority of the income was received last financial year but spent this financial year. As indicated above this is not a concern as this fund is essentially self regulating. The unrestricted fund shows a small surplus of £394. There are, however, some points worth noting about this and these are dealt with in the following paragraphs.

## Items of Expenditure referred to in OSCR Categories

### Income

Donations	Grants	Fundraising Receipts	Trading Receipts	Investments	Charity Activities
Individual	(none)	Quiz Night	Adverts	Bank Interest	SfL returns
Businesses ®		Treasure Hunt	DVD sales		
Membership			T Shirts		
SfL ®					
Gift Aid					
Drive Check ®					

### Expenditure

Fundraising Activities	Gross Trading	Charitable Activities	Grants	Governance	Assets
Show Fees	DVD Purchase	Stamps	Prizes	Insurance	Projector
Radio Adverts	Newsletter	Stationery	Gifts		Helmet Cam
YELL entry	T Shirts	Room Rent			
		Vehicle Hire			
		SfL ®			
		Drive Check ®			

Note ® denotes restricted fund entry.

## Future Budget and Expenditure

The statement of Receipts and Payments forms a sound basis for the budget for 08/09 representing as it does a typical profile of the business of the group but with a careful eye on the following issues which may have a significant impact on the group's finances.

The accounting period for these accounts presented here is over an eleven month period but with the bulk of income already received. Therefore, an estimated further £700 would have been spent had the financial year been a full twelve months.

An element of cross-funding occurs when Skill for Life payments are made from the restricted fund to the IAM. Part of the fee paid for the Skill for Life programme is returned to the group by the IAM to cover group costs and is entered into the unrestricted fund. This year the cross funding amounted to £1969 related to 91 associates. Clearly, if the number of associates progressed reduces for what ever reason, then so does the related income. There are 25 associates remaining to be progressed in the restricted fund which would generate an income of some £500 – around £1400 less than last year.

Membership drop out has been significant in 07/08 as many associates became members for free through the donations of others and have not renewed their membership. This trend could be expected to continue and represents a challenge to overcome. Nevertheless, the short term impact is likely to be a reduction in income in the year 08/09. Also, changes to the tax bands means the return from Her Majesty's Revenues and Customs (HMRC) is reduced from 22% to 20%. Clearly, an aim for the new committee will be to maintain an increase in membership via new associates joining the Skill for Life programme, to increase the number of members remaining in the group and paying their membership fees under the Gift Aid scheme. To this end, it is intended that the membership fees due this September and in subsequent years will be offered to be paid via Standing Order. Cash and cheques as always will still be accepted.

The newsletter printing costs are more than the revenue received from selling advertising space in it. The aim for the financial year 08/09 should be to balance these costs - the deficit on this activity for the financial year 07/08 was £118.

These issues, if occurring in the financial year reported here, could have resulted in a possible deficit for the year of some £2200, hence the need for the Committee in particular, to monitor the group's progress throughout the coming year.

The Independent Examiner in approving the accounts has made several useful suggestions and recommendations about the way financial transactions are processed and recorded. These are mainly for the Treasurer to put into effect, however, the Independent Examiner has highlighted one significant requirement of the Regulations which isn't being followed at present and will be addressed immediately. That is, all requests for payments must be accompanied by an invoice or in the form of a letter on headed paper. In the absence of this, payments can be made when accompanying a pro forma such as Skill for life applications. In the case of member expenses, these requests must be accompanied by receipts and a completed and signed expenses claim form. Forms are available to be collected at the AGM. It is intended that the forms will also be available to be downloaded from the Group's web site.

## **Conclusion**

These are the Group accounts for the period 1 May 2007 to the 31 March 2008. They have been approved by John Love, an Independent Examiner acceptable to the Trustees of the Charity.

In summary, the Group is spending what it receives and utilising its balances to fund one off purchases of required assets and is in sound financial shape. A careful eye needs to be kept on the financial year 08/09 as some factors may impact on the Group's finances.