

Manningham U3A Balance Sheet as at 31/12/2019

Year Ending 31st December	2018	2019
Equity:		
Opening Balance	121,344	110,171
Net Earnings	(11,173)	55,936
Equity Adjustment	0	0
Total Equity	110,171	166,107
Liabilities:		
Membership Fees ¹	123,700	108,100
Summer School ²	4,382	2,705
GST Credit ³	8,658	0
Accrued Expenses ⁴	6,707	12,477
Written Words (Golden Quill)	4,274	3,331
Total Liabilities	147,721	126,613
Total Equity & Liabilities	257,892	292,720
Assets:		
Paypal	0	136
Westpac Current Acct	75,634	22,023
Westpac Online	72,113	48,789
Rental Bond/Deposits	145	50
Term Deposit ⁵	110,000	221,722
Total Assets	257,892	292,720

Notes:

- 1) Membership fee liabilities include external venue fee (for 2018 \$15 fee, for 2019 \$40 fee)
- 2) Summer school includes both enrolment fee and external class fee
- 3) GST liability is NIL due to deregistering of BAS (not a required obligation)
- 4) Accrued expenses include 2019 costs incurred but not yet paid as at 31 December 2019 (mainly Manningham Council costs)
- 5) Term deposits include \$1,722 rolled over interest

Additional Comments:

Westpac Current account and Online saver account have been reduced to working capital level, Term Deposits have been doubled and phased to provide multiple maturity dates through the year.

Manningham U3A Profit and Loss Statement – Comparison 2018 and 2019

P&L detail has been presented in a summary format this year, see explanatory notes below for summary of what is included in each category or key changes between 2018 and 2019.

Year Ending 31st December	2018	2019
Income:		
Grants ¹	0	1,650
Membership ²	127,364	147,860
Summer School ³	3,417	4,422
Interest Income	2,986	3,424
Written Words (Golden Quill)	0	943
Other Income ⁴	6,390	5,061
GST Refund ⁵	7,616	4,837
Total Income	144,787	168,197
Expenses:		
Pines Rental (ex-PFR) ⁶	25,485	19,801
External Venues ⁷	76,497	58,142
Equipment	19,593	3,709
Office Expenses ⁸	9,021	8,115
PayPal Fees ⁹	1,346	2,490
Printing	2,662	2,343
Refunds Membership	2,725	3,550
Subscriptions	8,505	4,662
Summer School	3,833	3,441
Tutor Expenses	1,557	748
U3A Catering	2,812	2,972
Written Words (Golden Quill) ¹⁰	0	943
Miscellaneous	0	300
Other Expenses ¹¹	8,030	1,045
GST Owed	7,389	-
Total Expenses:	155,960	112,261
Net Surplus/(Deficit)¹²	(11,173)	55,936

Notes:

- 1) Grants represent funds from Manningham Council for equipment
- 2) Membership fees for 2019 includes fees received in advance during 2018, it consists of \$123,700 enrolment fees and \$24,160 external venue fees (\$15 fee).
- 3) Summer school fees comprise \$4382 (2018 liability) plus \$40 additional enrolments.
- 4) 2019 other income comprises revenue from Donations (\$2,893), Photocopying and Lanyards
- 5) GST refund for first 3 quarters of year only, de-registration for GST effective 30th September 2019.
- 6) Pines rental comprises monthly rental fee, cleaning costs (\$11,766) and utilities (\$7,759), in 2018 this included 2017 costs. The Pines Function Room (PFR) is excluded from The Pines rental agreement.
- 7) External Venue costs include Pines Function Room, Other MCC venues (Ajani Centre and Centenary House), YMCA venues, Ajani Scout Hall, Applewood, St Davids and St Marks Hall.
- 8) Office expenses include Office supplies, Telephone, Photocopying, Insurance.
- 9) PayPal costs doubled from June onwards, majority of costs incurred during Q4 enrolments, PayPal fees range from 3-10% of the transaction amount

- 10) Costs for Written Words (Golden Quill) in 2019. No written word costs or income for 2018.
- 11) External audit costs (\$1045) incurred in February 2019 after second audit undertaken
- 12) 2019 Surplus includes approximately \$40,000 of one-off items (\$15 Fee, Over-charging Refund and GST reduction). Underlying surplus of \$15,938 compares to 2018 deficit of **\$11,713**. The improved financial position reflects the significant focus on cost reduction undertaken in 2019 which resulted in the External Class Fee (\$15 Fee) being removed for almost all external venue classes.

Additional Comments:

PayPal costs of some \$2500 can be avoided by members paying their enrolment fee by EFT directly to a nominated bank account. This will require members to correctly provide their membership number and surname for transaction identification and database matching when using EFT.

The 2020 operating budget expenditure has been reduced to \$100,00 from the 2019 budget of \$125,000. This excludes allowance for equipment replacement costs following a review of the asset register, replacement valuation and remaining useful life of equipment is estimated at approximately \$17,500 per annum. The additional \$25,000 reduction in expenditure was possible following optimisation of external venue usage and GST. Further discussions are planned with tutors for 2020 on options to expand classes in the most cost-effective manner.

Currently the 2020 income and expenditure position is in-line with the revised lower budget.

Donations for 2019 doubled compared to those in 2018.

Ian Gorman, Treasurer

SCHEDULE 1

Regulation 15


FORM 1


Associations Incorporation Reform Act 2012

Sections 94(2)(b), 97(2)(b) and 100(2)(b)

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF
FINANCIAL POSITION OF INCORPORATED ASSOCIATION**

We, David Jensz, President, and David McNamara, Vice President, being members of the Committee of Management of Manningham U3A Incorporated, certify that –
The statements attached to this certificate give a true and fair view of the financial position of the Manningham U3A Incorporated during and at the end of the financial year of the association ending on 31 December 2019.

Signed:  David Jensz Date: 16.03.2020

Signed:  David McNamara Date: 16.03.2020

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF MANNINGHAM U3A INC.

SCOPE

I have examined the Financial Report, being a special purpose financial report of Manningham U3A Inc. for the year ended 31 December 2019. The Committee of Management is responsible for the financial reporting and has determined that the accounting policies used are appropriate to meet the requirements of the Associations Incorporations Reform Act 2012 and are appropriate to meet the needs of the members. I have conducted an independent review of the accompanying Financial Report in order to express opinion on it to the Committee of Management and Members of Manningham U3A Inc.

No opinion is expressed as to whether the accounting policies and standards used are appropriate to the needs of members and whether the Committee of Management has complied with the provisions of rule 21 of the Rules of Association with respect to management of funds, maintenance of financial records and preparation of financial statements.

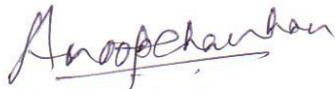
The Financial Report has been prepared for the purpose of complying with the requirements of the Associations Incorporation Reform Act 2012. I disclaim any assumption of responsibility for any reliance on this report or on the Financial Report to which it relates to any person other than the members or for any purpose other than that for which it was prepared.

Historically, Manningham U3A Inc. has maintained its financial records and reported its financial position on the basis of *Cash Accounting* principles; thereby, not reporting on all revenues and expenditures directly related to the activities of the year under the scope of review. Committee of Management of Manningham U3A Inc. changed the policy on producing their Financial Statements to *Accrual Accounting* basis which is considered to more accurately present a true and fair view of the operational results for the year ending on 31 December 2019 and the financial position as at the end of the year.


The opinion expressed in this report has been formed on the above basis of information provided for the purpose of review and reporting.

Opinion

In my opinion the Financial Report of Manningham U3A Inc. presents a true and fair view of the financial position of Manningham U3A Inc. as at 31 December 2019.



Anoop Chauhan, CPA
Member, Manningham U3A

Dt.  9 March, 2020