



EXECUTIVE  
COMMITTEE

COPY

26 JAN 2023

**TRUSTEES' ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

Registered charity No. 288434

Company No. 01752272

## **U3A IN LONDON**

### **TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

<b>CONTENTS</b>	<b>Pages</b>
<b>Charity and company information</b>	<b>3</b>
<b>Trustees' annual report</b>	<b>4 - 7</b>
Objectives and activities	4
Public benefit	4
Achievements and performance	4
Financial review	5
Structure, governance and management	6
Future developments	7
<b>Independent auditors' report</b>	<b>8 - 9</b>
<b>Financial statements</b>	<b>10 - 19</b>
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 19

## U3A IN LONDON

### CHARITY AND COMPANY INFORMATION

#### Executive Committee (Trustees and directors)

#### Officers

Gilli Vafidis (Chairman)  
\* Amalia Michaels (Vice chairman)  
\* Anthony Sober (Treasurer)  
Richard Sisson (Assistant treasurer)

#### Other members

Stephen Barry  
Ruth Freeman  
David Iwi  
Diana King  
Marie-Ange King  
Gill Korgaonkar  
Susan Kwok  
Hazelanne Lewis  
\* Gerta Regensburger  
Pam Strangman  
Shafeeq Siddiqui  
\* John Dodds  
\* Barbara Stevens

\* = co-opted member

#### Company Secretary

Hazelanne Lewis

#### Registered charity number

288434

#### Company number

01752272  
Registered in England

#### Registered office

Old Town Hall  
213 Haverstock Hill  
London NW3 4QP

#### Independent auditors

Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London EC3A 2AD

#### Solicitors

Bates Wells & Brathwaite London LLP  
10 Queen Street Place  
London EC4R 1BE

#### Bankers

CAF Bank Ltd  
25 Kings Hill Avenue  
West Malling ME19 4JQ

## U3A IN LONDON

Registered charity number: 288434

Company number: 01752272 - registered in England

### TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Executive Committee of U3A in London (which is referred to below as 'the charity' or 'the company') presents its annual report for the year ended 31 August 2022. This report includes the directors' report required by company law.

Administrative details of the charity, its Executive Committee and its advisers are given on page 3.

#### Objective and activities

The charity's stated objective is to advance the education of the public, and in particular older men and women, in the Greater London area.

The charity seeks to achieve this objective by the provision of study groups and leisure activities.

The annual membership subscription entitles members to attend all study groups and Monday talks without further charge. Members participating in other activities pay a charge to help defray the costs.

U3A in London is a member of The Third Age Trust, which is the co-ordinating body for U3As throughout the United Kingdom.

'U3A' is an acronym for 'University of the Third Age'. A U3A is not a university in the current sense of a body which awards degrees but in the original sense of a community of people both engaged in learning and learning from each other. It offers no certificates or degrees and its members study for the pleasure of learning. The leaders of study groups are called co-ordinators, rather than teachers or lecturers, because learning is seen as a co-operative process.

U3A in London has no employees and all its activities — the leading of study groups and the administration of the study groups, other activities and the charity itself — are carried out by members (including the trustees) on a voluntary basis.

#### Public benefit

The Executive Committee has given careful consideration to the Charity Commission's guidance on public benefit. Membership of the charity is open to all, without regard to age, colour, race, ethnicity, religion, gender, sexual orientation or disability.

Reasonable steps are taken to meet the needs of members who are or become disabled: the premises from which the charity operates have disabled access and, where needed, personal carers can, without charge, accompany members participating in study groups. The charity has established a policy for the protection of members who may be regarded as physically or mentally vulnerable, while attending activities both on the charity's premises and outside them.

While the charity's stated objective refers, in particular, to older men and women and to the Greater London area, there is no age limit in practice nor restriction by area. However, the charity does not take active steps to recruit members living in areas primarily served by other U3As.

A substantially reduced subscription is available for members in receipt of welfare benefits.

#### Achievements and performance

##### Membership

During the summer term (and before members were invited to renew their subscriptions for the following year) 1275 members were registered — 235 more than in the previous year. They included 198 (2020/21:63) who had joined within the previous 12 months. With the return to the Town Hall in September 2021 membership is increasing again.

Recruitment of new members is primarily by word of mouth and through the charity's website.

##### Study groups

In the year under review the charity arranged study groups on subjects that included history, science, languages, literature, art, music, physical fitness and bridge. Most of the study groups were provided weekly for three academic terms, from September to July. Talks were given on each Monday of term by outside speakers on topics of general interest, and additional talks were provided by members and outside speakers during the summer vacation.

As a result of the Covid 19 pandemic we were unable to use our premises, but as many groups and lectures as possible were switched to the internet, using Zoom.

##### Other benefits for members

During the summer vacation, some lectures were arranged on most days, via Zoom.

By enabling its members to meet together, the charity helps to mitigate the danger of social isolation for older people, and this benefit has been continued by the creation of Zoom chat groups.

## Changes during the year

During the year to 31 August 2022 we lost the cafeteria facility in the Town Hall due to an unfortunate combination of factors. This created concern from a significant section of the membership and in accordance with our Articles we held an Extraordinary General Meeting on 24 March 2022 to air issues over the closure of the cafe, the renewal of the lease in 2017/8, and our financial position with the landlords. At our AGM on 16 May 2022, for the first time, we had an election for the appointment of Trustees. The cost of these unusual events is included in the year's expenses.

## Accommodation

The charity occupies rooms at the Old Town Hall in Haverstock Hill, London NW3. Rooms are leased until 30 June 2040 at an annual rent of £112,000 plus VAT if appropriate. This gives U3A security of tenure for a further 20 years from 30 June 2020.

The arrangement under which we have been using the Peter Samuel Hall at the Royal Free Hospital has ended and alternative arrangements have been made, using our rooms at the Town Hall.

## Financial review Income and expenditure

### Summary

	2021/22 £000	2020/21 £000
Income	222	140
Expenditure	196	175
Net income	26	-35
Investment gains	-84	290
Net income	-58	255

Details are given on page 10 and in the notes on pages 14 to 16

## Income and expenditure

Income was £82,000 more than in the previous year. This was partly because we received legacies in the year from three deceased members totalling £61,000 (2020/21: £0). We have been notified of two further legacies, but these have not yet been quantified, so are not included in the 2022 accounts.

The charity's principal source of recurring income is subscriptions from members, supplemented by income tax recovered under Gift Aid. Subscriptions in 2021/22 were £20,000 more than in the previous year.

In order to provide study groups and to administer them and its other activities, the charity incurs substantial rent and similar accommodation and other costs. Expenditure during 2021/22 was £21,000 more than in the previous year.

## Balance sheet

At 31 August 2022, the charity's total assets exceeded its liabilities by £2,125,000 (2020: £2,183,000).

The balance sheet on page 11 and the notes on pages 16 to 19 provide details of the assets and liabilities.

During the year to 31 August 2022 there was little capital expenditure.

Our investments, which are all with CCLA, an investment house which acts exclusively for charities and local authorities, decreased in value during the year by £84,000 (2020/21 increase of £290,000).

Debtors and prepayments decreased by £2,000.

Creditors falling due within one year of the balance sheet date decreased by £41,000 because rent was paid on the due date in 2022.

As a result of the foregoing, at the end of the year the charity's balances of cash at bank and in hand amounted in total to £126,000 (2020: £130,000). A statement of the cash flows for the year is given on page 12.

## **Reserves and reserves policy**

Details of the charity's funds (its reserves) are provided in note 16 on page 18.

There are no restricted funds.

The charity's policy is to set aside as a designated fund the reserves needed to help secure the charity's needs for accommodation in future years, to cover unforeseen circumstances and to provide income to supplement the charity's membership income and thus help cover the charity's running costs without relying on legacies and exceptional donations, the incidence of which is always uncertain: without significant amounts of investment income, subscription rates would have to be increased substantially.

The balances of the designated funds at 31 August 2022 totalled £1,450,000 (2020: £1,450,000).

The remaining £675,000 (2020: £733,000) of the funds of the charity is regarded by the Executive Committee as a free reserve.

## **Investment policy**

The charity's policy is to invest monies not required in the short term for the charity's operations in common investment funds established in accordance with the Charities Act 2011. Investments have previously been made in both fixed-interest and equity-based units in order to balance the risks of fluctuations in the market value of investments against the need for a higher income than would be available from bank deposits. Having secured our accommodation for the next 20 years, and taking account of expected fixed interest returns in the medium term future, our investment policy has been revised and all funds are now in general mixed funds.

## **Structure, governance and management**

U3A in London was incorporated on 12 September 1983 as a company limited by guarantee. It is a registered charity.

As a company, it is governed by its Articles of Association and in accordance with the Companies Act 2006; the former are as amended by a special resolution of the members of the company on 23 March 2015.

### **Management and trustees**

The Executive Committee of the charity is responsible for determining the policy of the charity and for making major decisions regarding its operations.

The members of the Executive Committee are the trustees of the charity for the purposes of charity law. They are also the directors of the company for the purposes of company law.

The trustees receive no remuneration and pay subscriptions and for events on the same basis as all other members.

Day to day responsibility for the operations of the charity rests with its officers, three of whom (the chairman, vice-chairman and treasurer) are elected by the trustees from among the members of the Executive Committee immediately after each year's annual general meeting. A fourth officer may be so elected at any time.

A number of trustees are made responsible for individual activities, and report to the chairman and to the meetings of the Executive Committee.

### **Appointment of trustees**

The appointment of trustees is governed by the company's Articles of Association. All trustees must be members of the company. Up to twelve trustees are elected by the members of the company at each year's annual general meeting for a term of one year. If an elected trustee has served for four years in succession, he or she is not eligible for re-election for a period of two years. If there is a casual vacancy among the elected trustees, it is filled by the unsuccessful candidate who received the next highest number of votes at the previous annual general meeting.

The elected trustees may co-opt up to six additional trustees, together with another one or two if the number of elected trustees falls below twelve or eleven respectively. All co-opted trustees serve until the conclusion of the next year's annual general meeting.

## Recruitment and training of trustees

In order to recruit new trustees, requests for members to come forward are made in newsletters, at annual general meetings and by approaching members who are active in the charity's activities. All the members of the charity are formally invited each year to nominate candidates for election as trustees at the annual general meeting.

Potential trustees are called on to complete a questionnaire to establish their suitability to hold office having regard to the requirements of HM Revenue and Customs and the Charity Commission.

Newly elected or co-opted trustees are provided with the Charity Commission's published guidance on trustees' responsibilities, and with further information at their request.

Additional training for the trustees is provided when it appears necessary.

## Serving trustees

The names of the trustees at the date of this report are listed on page 3. All served throughout the year under review except for Stephen Barry, David Iwi, Gill Korgaonkar and Richard Sisson who were elected at the AGM on 16 May 2022. Naomi Stuart and Maggie Crawford were trustees, but resigned on 11 and 15 February 2022 respectively. Three trustees who had been co-opted after the previous AGM were again co-opted on 20 May 2022. Jon Dodds and Barbara Stevens were co-opted on 25 November 2022.

## Financial controls

The Executive Committee is responsible for keeping proper accounting records which disclose the financial position of the charity with reasonable accuracy at any time and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Appropriate internal control procedures continue to be in place to these ends.

## Trustees' responsibilities

The Executive Committee is required to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for the year.

The charity makes up its financial statements up to 31 August in each year.

In preparing the financial statements, the Executive Committee must:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed — subject to any material departures that are disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

## Auditors

The trustees confirm that they have made appropriate enquiries to determine all the relevant audit information and have made available all the information and explanations that the auditors required for the purposes of their audit. They are not aware of any relevant audit information of which the auditors are unaware.

A resolution will be proposed at the annual general meeting that Knox Cropper LLP be re-appointed as independent auditors.

## Future developments

The Executive Committee have continued to provide classes during the Covid epidemic over the internet. We returned to The Old Town Hall in September 2021 and hope that members who have left because of Covid will rejoin, though we know that some are still reluctant to physically come to classes.

■ Contributions were made to five charities serving older people close to this charity's premises as contributions to their running costs. The recipients assisted U3A in London in the recruitment of new members, especially those from diverse ethnic and social backgrounds. The Executive Committee are currently looking to repeat this scheme, with the same or similar charities.

■ The number of members at 31 December 2022 was 1242 of whom 265 were new members. (The corresponding figure a year earlier was 1121 of whom 27 were new members.)

This report was approved by the Executive Committee on 26 January 2023 and signed on its behalf by:

  
Hazelanne Lewis

(Secretary)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U3A IN LONDON**

### **Opinion**

We have audited the financial statements of U3A in London (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources for the period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U3A IN LONDON (continued)

### Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities on page 7, the Executive Committee (the members of whom are the trustees for the purposes of charity law and the directors of the charitable company for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. The Charitable Company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to comply with the Charity SORP was of key significance. We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to comply with the Charity SORP, through discussions with management and a review of the documented policies, procedures and controls.

The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override. Our approach was to check that all income was properly identified and accounted for and to ensure that only valid and appropriate expenditure was charged to charity's funds. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Greg Stevenson (Senior Statutory Auditor)

For and on behalf of Knox Cropper LLP (Statutory Auditor)

65 Leadenhall Street, London, EC3A 2AD

Knox Cropper LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.



26 January 2023

## U3A IN LONDON

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022 (including income and expenditure account)

	Note	Unrestricted funds £000	Restricted funds £000	<u>2022</u> Total £000	<u>2021</u> Total £000
<b>Income</b>					
Membership income	2	100	-	100	80
Donations and legacies	3	66	-	66	7
Investment income	4	56	-	56	53
		222	-	222	140
Charitable activities	5	-	-	-	-
<b>Total</b>		<b>222</b>	<b>-</b>	<b>222</b>	<b>140</b>
<b>Expenditure</b>					
<b>Raising funds</b>	6	<b>20</b>	<b>-</b>	<b>20</b>	<b>22</b>
<b>Charitable activities</b>					
Study groups	7	176	-	176	153
Events and sundry income	8	-	-	-	-
		176	-	176	153
<b>Total</b>	9	<b>196</b>	<b>-</b>	<b>196</b>	<b>175</b>
		26	-	26	(35)
<b>Net gains/(losses) on investments:</b>					
Realised		-	-	-	-
Unrealised		(84)	-	(84)	290
<b>Net income for the year</b>		<b>(58)</b>	<b>-</b>	<b>(58)</b>	<b>255</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		<b>2,183</b>	<b>-</b>	<b>2,183</b>	<b>1,928</b>
<b>Total funds carried forward</b>		<b>2,125</b>	<b>-</b>	<b>2,125</b>	<b>2,183</b>

All amounts recorded in 2022 comprise unrestricted funds

The notes on pages 13 to 19 form part of these financial statements.

# U3A IN LONDON

## BALANCE SHEET AT 31 AUGUST 2022

	Note	<u>2022</u> £000	<u>2021</u> £000
<b>Fixed assets</b>			
Tangible fixed assets	10	19	28
Investments	11	<u>1,981</u>	<u>2,065</u>
		<u>2,000</u>	<u>2,093</u>
<b>Current assets</b>			
Debtors and prepayments	12	15	17
Cash at bank and in hand	13	<u>126</u>	<u>130</u>
		141	147
<b>Current liabilities:</b>			
Creditors payable within one year	14	16	57
		<u>125</u>	<u>90</u>
<b>Net current assets</b>			
		2,125	2,183
<b>Total assets less current liabilities</b>			
			-
<b>Creditors payable after more than one year</b>			
		<u>2,125</u>	<u>2,183</u>
<b>Net assets</b>	15		
Representing:			
<b>The income funds of the charity</b>			
Unrestricted funds:	16		
General fund		675	733
		<u>1,450</u>	<u>1,450</u>
Designated funds		<u>2,125</u>	<u>2,183</u>
		-	-
Restricted funds		<u>2,125</u>	<u>2,183</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Registered charity No: 288434 - Company No: 01752272

Approved by the trustees on 26 January 2023 and signed on their behalf by:

Anthony Sober  
Treasurer



The notes on pages 13 to 19 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	<u>2022</u> £000	<u>2021</u> £000
<b>Cash flows from operating activities</b>			
Net income for the year			
as shown in statement of financial activities on page 10		(58)	255
Adjustments for:			
Distributions and interest from investments	4	(56)	(53)
Depreciation charges	10	9	3
Net (gains)/losses on investments	11	84	(290)
(Increase)/decrease in income tax recoverable	12	12	(11)
(Increase)/decrease in legacy receivable	12	-	-
(Increase)/decrease in other debtors and prepayments	12	(11)	15
(Decrease) in subscriptions in advance	14	(21)	28
Increase/(decrease) in commitment under property agreement	14	-	-
Increase/(decrease) in other creditors and accruals	14	(20)	23
Net cash provided by / (used in) operating activities		(61)	(30)
<b>Cash flows from investing activities</b>			
Distributions and interest from investments	4	56	53
Purchase of tangible fixed assets	10	1	-
Sales/(purchases) of investments	11	-	(180)
Net cash provided by /(used in) investing activities		57	(127)
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Net cash (used in) financing activities		-	-
<b>Change in cash and cash equivalents in the year</b>		<b>(4)</b>	<b>(157)</b>
Cash and cash equivalents at the beginning of the year		130	287
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>126</b>	<b>130</b>

The notes on pages 13 to 19 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

#### (a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and with the Companies Act 2006. The functional currency is pound sterling.

A summary of the more important accounting policies is set out below.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor a significant risk that uncertainty over estimates made for the purpose of these financial statements may cause a material adjustment to the carrying value of assets and liabilities.

The charity is a public benefit entity.

#### (b) Income

Subscription income and the related recoverable income tax are accounted for in the year to which they relate, income tax recoverable on donations in the year the donations are received, legacies when their receipt by the charity can be measured with reasonable certainty, income from events when the event takes place and income distributions on investments when the price becomes 'ex div'. Other incoming resources are accounted for when they are received.

#### (c) Expenditure

Expenditure is allocated between costs of generating funds and costs of charitable activities. The amount allocated comprises those costs which are directly attributable to each category together with an allocation of support costs.

Support costs are those costs that are not directly attributable to a single category but provide the necessary organisational support for all the charity's activities. They include an apportionment, based on relative floor areas, of the rent and other expenses of the leased premises and governance costs (see below). Support costs are allocated in proportion to the aggregates of the income (other than legacies and investment income) and the directly attributable expenditure of each of the categories referred to above.

Governance costs comprise the costs of external and internal audit, legal advice for the trustees on corporate matters and those associated with constitutional and statutory requirements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**1 Accounting policies (continued)****(d) Tangible fixed assets**

Tangible fixed assets costing less than £250 are written off in the statement of financial activities in the year in which the expenditure is incurred. The cost of other tangible fixed assets is capitalised and depreciated over the estimated useful lives of the assets. Until 31 August 2013, all classes of assets were depreciated over five years. Thereafter, the estimated useful life of each class of assets has been as follows:

Leased office equipment	4 years
Computer equipment	7 years
Other equipment and furniture	10 years

The resulting net book values are reviewed at each balance sheet date and additional amounts are written off if appropriate.

**(e) Investments**

Investments are stated at the managers' bid prices for units.

**(f) Liabilities**

Liabilities are recognised when goods and services have been delivered or when there is considered to be a reasonable probability that a contingent liability will crystallise.

**(g) Finance leases**

Finance leases are those where substantially all the benefits and risks of ownership of the leased assets are assumed by the charity. Assets acquired through such leases are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease and their estimated useful lives as stated in note 1(d).

The finance charges included in each rental payment are calculated to spread the cost over the lease term according to the amounts outstanding. Obligations under finance leases are included in creditors net of the finance charges relating to future periods.

	Unrestricted funds £000	Restricted funds £000	<u>2022</u> Total £000	<u>2021</u> Total £000
<b>2 Membership income</b>				
Subscriptions	85	-	85	68
Income tax recovered	15	-	15	12
	<u>100</u>	<u>-</u>	<u>100</u>	<u>80</u>
<b>3 Donations and legacies</b>				
Donations	4	-	4	6
Income tax recovered	-	-	-	1
Legacies	62	-	62	-
	<u>66</u>	<u>-</u>	<u>66</u>	<u>7</u>
<b>4 Investment income</b>				
Bank and other interest	-	-	-	-
Income distributions	56	-	56	53
	<u>56</u>	<u>-</u>	<u>56</u>	<u>53</u>

We have been advised that we are to receive residuary legacies under the wills of two ex-members.

The amounts of these legacies are not yet known.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022.

	Unrestricted funds £000	Restricted funds £000	2022 Total £000	2021 Total £000
<b>5 Income from charitable activities</b>				
Events and sundry income:				
Easter conference	-	-	-	-
Outings and concerts	-	-	-	-
Sundry income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>6 Costs of raising funds</b>				
Payments to other charities (see note 19)	10	-	10	10
Publicity	2	-	2	1
Support costs — see note 9(d)	8	-	8	11
	<u>20</u>	<u>-</u>	<u>20</u>	<u>22</u>
<b>7 Costs of study groups</b>				
Accommodation	132	-	132	117
Other direct costs	10	-	10	8
Support costs — see note 9(d)	34	-	34	28
	<u>176</u>	<u>-</u>	<u>176</u>	<u>153</u>
<b>8 Costs of events and of sundry income</b>				
Easter conference	-	-	-	-
Outings and concerts	-	-	-	-
Sundry income	-	-	-	-
Support costs — see note 9(d)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>9 Total expenditure included:</b>				
<b>(a) Rent and licence fees payable</b>				
Leased accommodation			139	135
Payments to secure availability of Café premises			-	-
Licensed accommodation			-	-
Additional accommodation			-	-
			<u>139</u>	<u>135</u>
<b>(b) Professional charges</b>				
Payable to the auditors			3	3
Comprising charges in connection with:				
Independent audit				

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**9 Total expenditure (continued):****(c) Remuneration and expenses**

The trustees received no remuneration.

Travelling expenses of £0 were paid to or on behalf of trustees (2020: £0) or persons connected with them.

The charity has no employees and paid no salaries or wages; all its activities are carried out voluntarily by its members.

	<u>2022</u>	<u>2021</u>
	Total	Total
	£000	£000
<b>(d) Support costs</b>		
Office accommodation	20	17
Depreciation of office furniture and equipment	2	1
Communications	7	5
National affiliation fees	7	9
Governance costs:		
Audit fee	3	3
Other governance costs	-	-
Other support costs	3	-
	<u>42</u>	<u>35</u>
Allocated as follows — see note 1(c):		
Raising funds	8	7
Study groups	34	28
Events and sundry income	-	-
	<u>42</u>	<u>35</u>

**10 Tangible fixed assets**

	Computer equipment	Other equipment and furniture	<u>2022</u> Total	<u>2021</u> Total
	£000	£000	£000	£000
<b>Cost</b>				
Brought forward	47	51	98	98
Disposals in year	-	-	-	-
Additions in year	-	1	1	-
	<u>47</u>	<u>52</u>	<u>99</u>	<u>98</u>
<b>Depreciation</b>				
Brought forward	27	44	71	67
Disposals in year	-	-	-	-
Charge for year	3	6	9	3
	<u>30</u>	<u>50</u>	<u>80</u>	<u>70</u>
<b>Net book value</b>				
at 31/08/2022	<u>17</u>	<u>2</u>	<u>19</u>	<u>28</u>
Net book value				
at 31/08/2021	<u>20</u>	<u>8</u>	<u>28</u>	<u>31</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

## 10 Tangible fixed assets - continued

No further expenditure on tangible fixed assets had been authorised by the trustees at 31 August 2022 (2021: nil).

Tangible fixed assets with an aggregate cost of £27,000 had been fully depreciated but remained in use at 31 August 2022 (2021: £27,000).

	<u>2022</u>	<u>2021</u>
	£000	£000
Cost	2,065	1,595
Sold in year	-	-
Additions	-	180
Gains	(84)	290
Market value	<u>1,981</u>	<u>2,065</u>

The Investments comprised units in the COIF Charities funds listed below.

The changes in market value over the year were as follows:

	Brought forward £000	Purchased/ (sold) in year £000	Realised gain/(loss) £000	Unrealised gain/(loss) £000	Carried forward £000
Ethical Fund	204	-	-	(10)	194
Investment Fund	1,861	-	-	(74)	1,787
	<u>2,065</u>	<u>-</u>	<u>-</u>	<u>(84)</u>	<u>1,981</u>
2021	2,065	180	-	290	2,535

## 12 Debtors and prepayments

Income tax recoverable	-	12
Other debtors	-	1
Prepayments	15	4
	<u>15</u>	<u>17</u>

## 13 Cash at bank and in hand

Current accounts and cash in hand	116	120
Demand deposit	10	10
	<u>126</u>	<u>130</u>

## 14 Creditors payable within one year

Membership subscriptions received in advance	7	28
Other creditors and accruals	9	29
	<u>16</u>	<u>57</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

## 15 Analysis of net assets between funds

	Tangible fixed assets £000	Invest- ments £000	Net current assets £000	Finance lease £000	Total <u>2022</u> £000
<b>Unrestricted funds</b>					
General fund	19	531	125	-	675
Designated funds	-	1,450	-	-	1,450
	19	1,981	125	-	2,125
<b>Restricted funds</b>	-	-	-	-	-
	19	1,981	125	-	2,125

## 16 Movements in unrestricted funds

	Balance at 31 August 2021 £000	Income £000	Expenditure £000	Gains on Investments £000	Transfers between funds £000	Balance at 31 August 2022 £000
<b>General fund</b>	733	222	(196)	(84)	-	675
<b>Designated funds</b>						
See below	1,450	-	-	-	-	1,450
	2,183	222	(196)	(84)	-	2,125
	<b>2020</b>					<b>2021</b>
General fund	478	140	(175)	290	-	733
Designated funds	1,450	-	-	-	-	1,450
	1,928	140	(175)	290	-	2,183
<b>Designated funds</b>						

An amount of £1,450,000 (2021: £1,450,000), has been set aside from the general unrestricted fund to help secure the charity's needs for accommodation in future years. It also provides income to supplement membership income and thus help cover the charity's running costs without relying on legacies and exceptional donations, the incidence of which is always uncertain: without significant amounts of investment income, subscription rates would have to be increased substantially. This designated fund further acts as a reserve in case of unforeseen circumstances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**17 Commitment under non-cancellable operating lease**

At 31 August 2022, the charity had a non-cancellable lease starting on 1 July 2020 for 20 years with an annual commitment of £112,084 plus Value Added Tax if appropriate and subject to 5 yearly upward reviews. The aggregate of such commitments, excluding the upward reviews, is £2,102,000 (2021: £2,214,000).

**18 Taxation**

The charity is exempt from taxation on its income and capital gains to the extent that they are applied for exclusively charitable purposes.

**19 Payments to other charities**

The following payments were made to local charities, who agreed to advertise or otherwise promote the name and activities of U3A in London (see note 6):

	<u>2022</u>	<u>2021</u>
	£000	£000
The Hampstead School of Art	2	2
The Keats Community Library	2	2
The Primrose Hill Community Association	2	2
Maggie's Cancerkin	2	2
Age UK Camden	2	2
	<u>10</u>	<u>10</u>

**20 Related Party Transactions**

The Charity had no related party transactions in the years to 31 August 2021 and 31 August 2022.

**21 Covid 19**

With the Covid 19 Pandemic there has been major global upheaval in both the social and financial spheres. The effects of these on the Charity remain unclear. It is possible that investment values will decline and income will be reduced. These factors will change the financial outlook for the Charity, but are unlikely to cause disruption to the Charity's activities, which have continued in house and online.