

## Treasurers Report for the period 1st January to 31st December 2021.

### **RATIONALE: SOURCES OF FUNDING**

The income for the year under report was affected by the final throes of the Covid-19 Pandemic. The special Government Covid regulations were fully relaxed in May 2021 and PMH reopened in mid May 2021. Consequently we only earned £7,368 rental/room hire fees (as against £2,942 in 2020). In 2019 before Covid rental income was £20,739. Income from some Hirers who asked to carry forward their Hire payment until the Hall was reopened had a modest effect on 2021 income.

The rental income shortfall was supplemented by a Council Covid business Support Grants of £20,708 in early 2021. (£10,000 in 2020 ). We also received a £13,015 settlement from our insurers for Pandemic Induced Business Income Interruption.

In November 2019 the Aviva Community Fund invited PMH to apply to a Crowdfunding exercise to raise funds for innovative projects. Using this crowd funding in 2020 PMH funded a consultants report which recommended a heat pump system, which allowed both heating and cooling to replace the elderly gas-fired heating system. Using this report PMH applied to The Rampion Fund for a contribution to the purchase of the recommended heat pump. At the same time we held a competitive bidding process with installers. The chosen installer, Camcool, installed and commissioned the Air source heat pump ( costing £13,015 ) in May 2021. The Rampion fund gave £5,000, and the balance, £8,000, was funded from PMH's reserves.

### **INCOME**

Due to the Covid Pandemic Hiring income £7,468 in 2021 fell by 66% compared with 2019. We were able to cover continuing expenses due to our reserves (£37,703) at 31 December 2020. But we did not need to draw on our reserves to meet our expenses as we received £20,708 further Council Covid Business Support Grant (£10,000 2020 ). We also claimed on our Insurance policy's business interruption clause and were awarded £13,015 for Covid Closure from March 2020 to May 2021.

This combined multiple source PMH'S total 2021 income was £41,191 this exceeds the Charity Commission's Inspection threshold limit of £25,000. The accounts have been inspected and found to be a true and fair record of 2021's income and expense. The Independent Examiner's Report is attached at the end of this document.

### **EXPENSES**

During the Covid Pandemic Enforced closure operating expenses were £7,086 (£ 9,068 in 2020) (the historical average expense level pre covid was £9,200). The Council gave us 100% rate reduction in business rates again in 2021. Following the 2020 consultant's report we installed an Air Source heat pump which cost £14,500 in May 2021.

### **Cash Balances**

As our income (including the Covid Support Grant and Rampion Fund donation) was above the required inspection threshold (£25,000) our accounts have been examined and approved before approval by the AGM and submission to the Charity Commission. We ended 2021 with a bank balance of just over £67,200 (£42,600 2020). This more than meets our revised twelve month expenses reserves policy.

As operating expenses increase annually Trustees are careful to balance income with outgoings and funding major improvements to the fabric of an almost 100 year old building. The hire costs were compared to other venues in 2020 and a consultation with regular users

indicated a small increase in hire charges was anticipated. The implementation of the increase in hire fees was delayed due to the Pandemic closure and they were introduced when the Hall reopened in May 2021.

### **Financial Uncertainties.**

#### **Going Concern**

You will recall that the 31 December 2020 Treasurers report disclosed that the Trustees had agreed, that in the light of the continuing uncertainty of the pandemic's duration and the likelihood that the hall would ever be able to open, a policy to use of two years reserves to maintain the hall should the pandemic last that long. The expenses (averaging £9,200 in the six years 2014 to 2019). In accordance with Charity Commission advice a budget was drawn up and monitored, and forward planning was maintained so that the hall could be permanently closed and wound up before its reserves were exhausted.

Happily that did not happen, Vaccine Research and Medical Science developed vaccines which allowed steadily reducing Government regulations which permitted the hall to reopen in May 2021.

The Trustees are happy that the Hall's reserves are sufficient to meet another year's loss of income should a new pandemic appear on the horizon.

#### **Subsequent events**

In the early part of 2022 the Hall was closed for a full month to allow redecoration and the installation of new blinds. The redecorated hall reopened to the universal approval of Hirers and users.

#### **Conclusion**

It is clear that PMH's finances have survived a unique set of years when it was completely closed due to the Covid Pandemic Restrictions, notwithstanding that the Trustees have revised its reserves policy (formerly three months expenses which was deemed to be inadequate) to maintain a reserve equivalent to one year's expenses ( say £10,000) following the 2020 AGM's approval.

The trustees have reviewed this reserve policy and feel that it is adequate for the foreseeable future.

Hugh Woodhouse, Charity Treasurer

#### **Independent Audit report:-**

Proposed by Hugh Woodhouse

Seconded by Pamela Hubbard

Approved by The Trustees 16<sup>th</sup> June 2022