

Treasurers Report for the period 1st January to 31st December 2022.

RATIONALE: SOURCES OF FUNDING

The income for the year under report was the first full year after the Covid-19 Pandemic. PMH fully reopened in mid May 2021, thus it is difficult to compare income and expenses for 2022 with that for 2021.

Hire fees: we earned £14,525 for rental/room hire fees, as against £7,468 in 2021. In 2019 before Covid rental income was £20,400. The average rental income for the previous years 2014-2019 was £16,218 so we are slowly returning to pre-Covid rental income levels.

Covid-related support: the rental income shortfall was supplemented by a £3,080 Brighton & Hove Council Covid Business Support Grant in early 2022. This was £20,700 in 2021.

In 2021 we received a £13,015 settlement from our insurers for Business Income Interruption caused by the Pandemic in 2020/2021.

Grants: in late 2020 PMH applied to The Rampion Fund for a contribution to the installation of a heat pump. In 2021 we were awarded £5,000 and the air source heat pump/ASHP (cost £13,015) was installed in May 2021. The balance of £8,000 was funded from PMH's reserves.

The effect of the war in Ukraine on global energy prices has meant that it is not yet possible to see the cost benefits of the ASHP initiative.

INCOME

In the first full year of operation following Covid Pandemic, hire income of £14,525 nearly doubled 2021's income even with a month's shutdown for redecoration. We were able to cover our day-to-day operating expenses in 2022; we drew on our reserves to fund refurbishments to the building and AV facilities to improve renting opportunities. We received a small Covid Business Support Grant of £3,000. There were no business interruptions in 2022 so we did not claim on our business interruption insurance.

The combined, multiple source of PMH's 2022 total income from Hire & Donations was £14,573. As this did not exceed the Charity Commission's Inspection threshold limit of £25,000, the 2022 accounts were not formally inspected. I declare they still represent a true and fair record of 2021's income and expenses.

EXPENSES

In the first full operating year since Covid, expenses totaled £19,192. Capital expenditure on redecoration, blinds, chairs, a screen and a data projector totaled £7,700, net operating expenses of £11,400. This compares with the 2021 figure of £7,0860 (the historical average expense level pre-Covid was £9,200). The Council gave a 100% rate reduction in business rates again in 2022 and we paid three catchup PRS for Music fees in 2022.

Cash Balances

We ended 2022 with a bank balance of just under £66,000 (£67,200 2021). This cash balance more than meets our revised twenty-four 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 discussed and agreed by Trustees when the Hall reopened in May 2021. Changes were made to iron out anomalies in hire charges for different activities, and these were introduced in December 2022.

Financial Uncertainties.

Going Concern

You will recall that the 31 December 2020 Treasurer's report noted that the Trustees had agreed, in the light of the continuing uncertainty of the pandemic's duration and the likelihood that the hall might never be able to open, a policy to use of two years' reserves to maintain the hall should the pandemic last that long.

PMH's pre-pandemic operating expenses (averaging £9,200 in the six years 2014 to 2019) implies cash reserves of £18,400. These reserves are covered by PMH's cash balances at 31/12/2022.

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

Subsequent events

There have been no subsequent events in the first six months of 2023. In the early part of 2022 the Hall was closed for a full month to allow redecoration and hanging 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 Reserves Policy and feel that it is adequate for the foreseeable future.

Adopted by the Trustees of Patcham Memorial Hall

- proposer
- seconder
- date

Questions raised on these accounts:

Confirmation of adoption of these accounts for 2022: