

# Transport Planning Society

<b>Meeting Date</b>	AGM 11 March 2021
<b>Report Title</b>	Treasurer's Report
<b>Report Summary</b>	<p>This report provides my analysis of the accounts for the 12 months to the end of September 2020 (which was the Society's previous accounting period) and for the one-off 15-month set of accounts (Oct 2019 – December 2020) required to switch our accounting period to calendar years, as agreed at the last AGM (in March 2020).</p> <p>I also apply the previously-agreed Reserves Policy check, which suggests that our current bank balance is sufficient to cope with 3 years of 10% reduced revenue and 10% increased expenditure (relative to 2019/20 values).</p>

## 1. Overview of the Budget Analysis

The out-turn for the 15-month period between October 2019 and December was a deficit of £80,866K due to 3 months of additional costs with little additional revenue between October and December 2020), £31K of discretionary spend on new initiatives during 2020 and the decision not to seek any significant sponsorship for the Transport Planning Day campaign 2020.

Our bank balance remains healthy, at £105,485 at the end of December 2020.

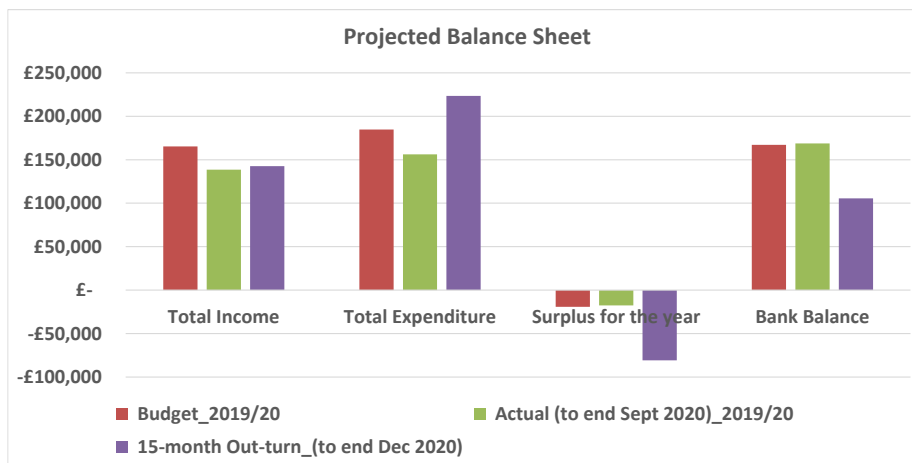
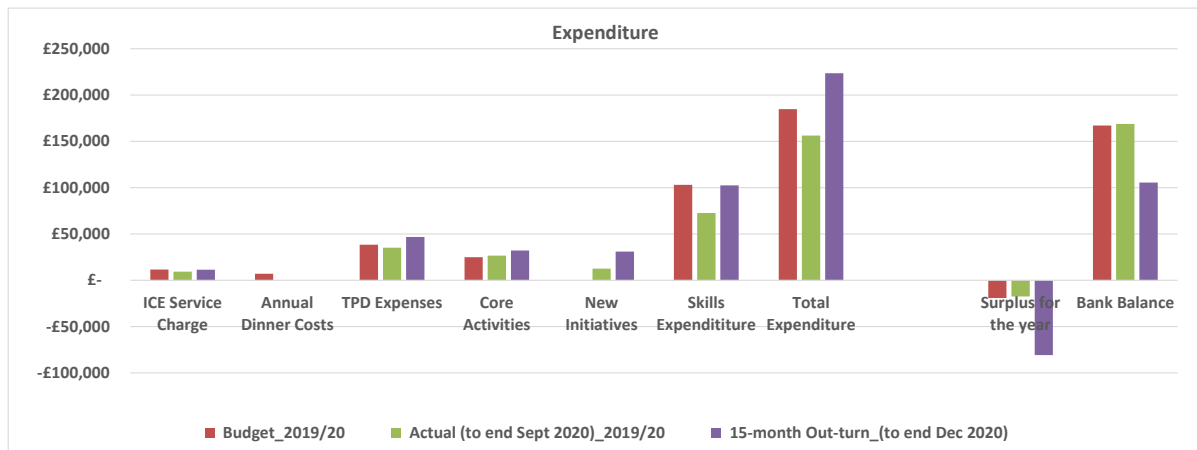
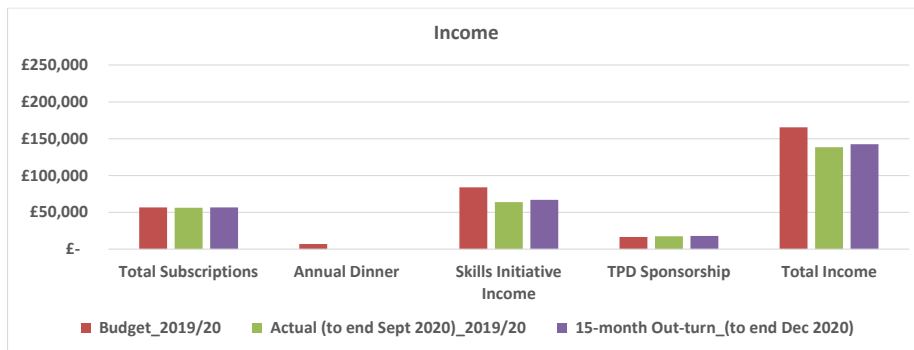
The detailed Income and Expenditure for the 15 months to the end of December 2020 are summarised below, along with the corresponding 12-month values for the previous financial year (Oct 2018 – Sept 2019).

TRANSPORT PLANNING SOCIETY  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 DECEMBER 2020

Actual 2018/19 £			Actual 2019/20 £	
	<b>Code</b>	<b>INCOME</b>		
		<b><i>TPS core activities</i></b>		
46,378		Subscriptions (Individual)	48,675	
4,520		Subs TPP	3,075	
-		Subs CTPP	3,820	
940		Subscriptions (Business Directory)	560	
783		Event Income & Sponsorship	513	
10,245		Annual Dinner	-	
18,994		TPD receipts	18,050	
1,072		Interest on deposit	936	
-		Sundry income	-	
82,932		TPS sub-total	75,629	-
		<b><i>Skills Initiative</i></b>		
12,000		Stakeholders 1000	15,000	
25,000		Stakeholders 2500	17,500	
3,000		Stakeholders 3000	3,000	
17,500		Stakeholders 3500	7,000	
-		Stakeholders 4000	4,000	
18,000		Stakeholders 4500	18,000	
4,300		Transport Planning Opportunities website	2,500	
79,800		Skills Initiative sub-total	67,000	-
162,732		Overall	142,629	
		<b>EXPENDITURE</b>		
		<b><i>TPS core activities</i></b>		
185		Postage	69	
590		Printing and Photocopying	347	
80		Stationery	-	
5,135		TPS Website	9,109	
-		Newsletter	-	
3,858		Meeting Expenses	2,853	
-		Awards & Prizes	-	
1,750		Bursaries	2,750	
499		Publicity & Promotion	329	
250		Subscriptions to other Bodies	-	
9,930		ICE Service Charge	11,301	
10,703		Annual Dinner Costs	-	
40,894		TPD expenses	46,664	
5,305		Other Event Expenses	3,879	
-		Other New Initiatives	30,967	
204		Corp Tax	172	
-		Sundry Expenses	150	
4,350		Irrecoverable VAT	12,505	
83,733		TPS sub-total	121,095	
		<b><i>Skills Initiative</i></b>		
21,006		Development Officer	28,394	
56,608		Qualifications	70,005	
-		Transport Planning Opportunities Website	-	
-		Consultancy	4,000	
77,614		Skills Initiative sub-total	102,399	-
161,347		Overall	223,494	-
<b>1,385</b>		<b>Surplus (Deficit) for the year</b>	<b>( 80,865)</b>	<b>-</b>

The various out-turn values of income and expenditure for the 15-month 2019/20 period are aggregated into main categories and compared with the corresponding out-turn values for Oct 2018-Sept 2019 and Oct 2019 – Sept 2020 in the table and charts below.

	Actual	Actual (to end Sept 2020)	%Change from previous year	DTC Comment		15-month Out-turn	DTC Comment
INCOME	2018/19	2019/20				(to end Dec 2020)	
Subscriptions (Individual)	£ 46,378	£ 48,320	4%	Subscriptions up by around 4%		£ 48,675	Few additional subscriptions between Sept & Dec
Subs TPP + Subs CTPP	£ 4,520	£ 6,760	50%	TPP/CTPP Subs up by 50% (which is more than I had assumed in the budget)		£ 6,895	" "
Subscriptions (Business Directory)	£ 940	£ 560	-40%			£ 560	" "
Event Income & Sponsorship	£ 783	£ 513	-35%			£ 513	
Annual Dinner	£ 10,245	£ -	-100%	2 dinners in 2018/19, 1 in the budget for 2019/20, 0 actual		£ -	
TPD Sponsorship	£ 18,994	£ 17,500	-8%	This is the sponsorship for TPD 2019		£ 18,050	Almost no sponsorship for TPD 2020
Interest on deposit	£ 1,072	£ 933	-13%	Interest dropped significantly after July 2020 - DTC is looking into this		£ 936	
Core Activities Income	£ 82,932	£ 74,585	-10%	Core Activities Income 8% lower than budget, mainly due to the loss of the annual dinner		£ 75,628	Sum of the column above
Skills Initiative Income	£ 79,800	£ 64,000	-20%	£16K (=20%) fall in Skills Income		£ 67,000	Stakeholder subs are per calendar year, so nothing extra in Oct-Dec
Total Income	£ 162,732	£ 138,585	-15%	£24K short-fall in income (£7K from loss of the annual dinner and £16K from Skills)		£ 142,628	
EXPENDITURE	Actual	Actual (to end Sept 2020)		DTC Comment		15-month Out-turn	DTC Comment
ICE Service Charge	£ 9,930	£ 9,273	-7%	7% drop in ICE Service Charge (to end September)		£ 11,301	3 extra months of Service Charge
Annual Dinner Costs	£ 10,703	£ -	-100%	2 dinners in 2018/19, 1 in the budget for 2019/20, 0 actual		£ -	
TPD Expenses	£ 40,894	£ 35,212	-14%	TPD costs (2019 + 2020) up to end-Sept 2020 were £5.7K lower than previous year		£ 46,664	Includes expenses for TPD 2020 and JFG costs for Oct-Nov 2020
Bursaries	£ 1,750	£ 2,750	57%			£ 2,750	Bursaries paid out in January so no change from end-Sept value
Other New Initiatives	£ -	£ 12,431	n/a	State of the Nation Research and RCA Initiative (invoiced by end-Sept) - £19K still to come		£ 30,967	The total cost of the new initiatives
Other Core Activities	£ 20,455	£ 23,897	17%	Website £4K and £3K more un-recoverable VAT minus savings of £2.5K of meeting & event expenses		£ 29,413	3 extra months of core activities
Skills Expenditure	£ 77,614	£ 72,608	-6%	£5K (=6%) reduction in cost of skills		£ 102,399	3 extra months of Skills-related activities
Total Expenditure	£ 161,346	£ 156,171	-3%	Slight reduction in total expenditure (though £19K of Other Initiatives still to come)		£ 223,494	Sum of the column above
Surplus for the year	£ 1,385	-£ 17,585		£17.6K deficit for the year (to Sept 2020) (Includes TPD Day 2019 & 2020 and £12K of unbudgetted new initiatives)		-£ 80,866	£31K of new initiatives plus 3 months of additional costs with little additional income



In summary, our overall finances were close to budget at the end of the 12-month former accounting period (Oct 2019 – Sept 2020) and have continued to follow the usual annual pattern of 3 months of additional running costs and little additional subscription revenue in 2020\_Q4.

In addition to the one-off ‘book-keeping’ effect created by the move to the new calendar year accounting period for 2021, the £80K 15-month deficit also includes £31K of discretionary spend on two new Initiatives and an unsponsored TP Day in 2020.

The Balance Sheet at the end of December 2020 is summarised below:

TRANSPORT PLANNING SOCIETY							
BALANCE SHEET							
AS AT 31 DECEMBER 2020							
2018 / 19				2019 / 20			
£				£			
		CURRENT ASSETS					
199,032		Cash at bank					120,112
20,288		Debtors					10,897
9,404		Prepayments					521
<hr/>				<hr/>			
228,724							131,530
		CURRENT LIABILITIES					
		Creditors		14,317			
		Accruals		172			
		Subscriptions in advance		11,470			
		Receipts in advance		-			
		Suspense		85			
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42,373							26,044
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186,351		NET CURRENT ASSETS					105,486
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		Represented by:					
184,966		ACCUMULATED FUND b/fwd					186,351
1,385		Surplus / (deficit) for the period					(80,866)
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186,351		Fund balance at 31 December 2020					105,485
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Our bank balance therefore remains healthy, at just over £100K at the end of December 2020.

## 2 Reserves Policy

It was agreed at the 2020 AGM that we should endeavour to ensure that our reserves are able to cope with a simultaneous **10% drop in the income** and a **10% increase in expenditure** for **three** consecutive years.

Applying this 'rule' to our 2019/20 accounts (excluding the two new Initiatives commissioned in 2019/20) would require reserves of around **£142K** at the end of 2020, if typical TP Day costs are assumed in all three of the coming years, and around **£96K**, if TP Day costs are assumed only in 2021.

Given that our reserves are predicted to be slightly over £100K at the end of 2020, these results suggest that a 'business-as-usual' TP Day 2021 is still affordable within our current reserves, but if the out-turn results for 2020 suggest something similar to (or worse than) the  $\pm 10\%$  drop in revenue/increase in expenditure, then the Society may need to avoid any significant net expenditure on TP Day in the following year(s) (ie ensure that the costs are largely covered by sponsorship), to avoid any further erosion of our reserves.

We should also avoid committing to any significant new expenditure on initiatives in 2021, at least until we can observe how well membership subscriptions are holding up in 2021.