

# Transport Planning Society

<b>Meeting Date</b>	AGM 19 March 2020
<b>Report Title</b>	Treasurer's Report
<b>For Decision or for Information?</b>	For Information
<b>Report Summary</b>	This report summarises the Income and Expenditure for the TPS Financial Year Oct 2018-Sept 2019) and compares the out-turn with the 2018/19 Budget

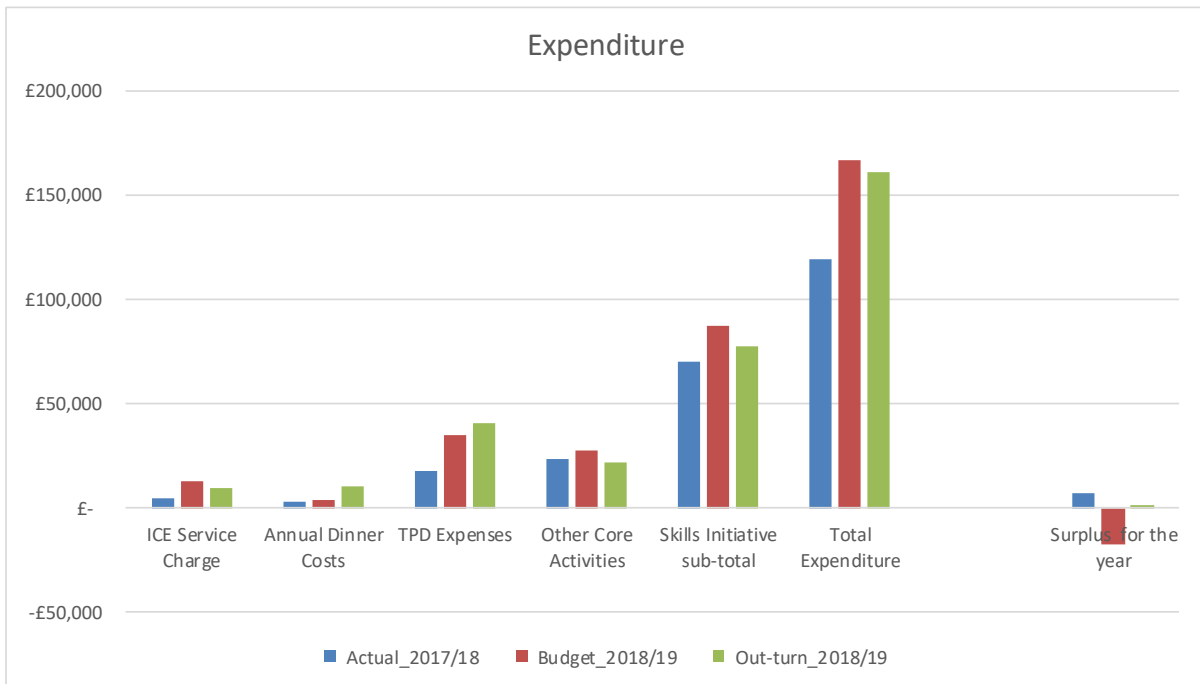
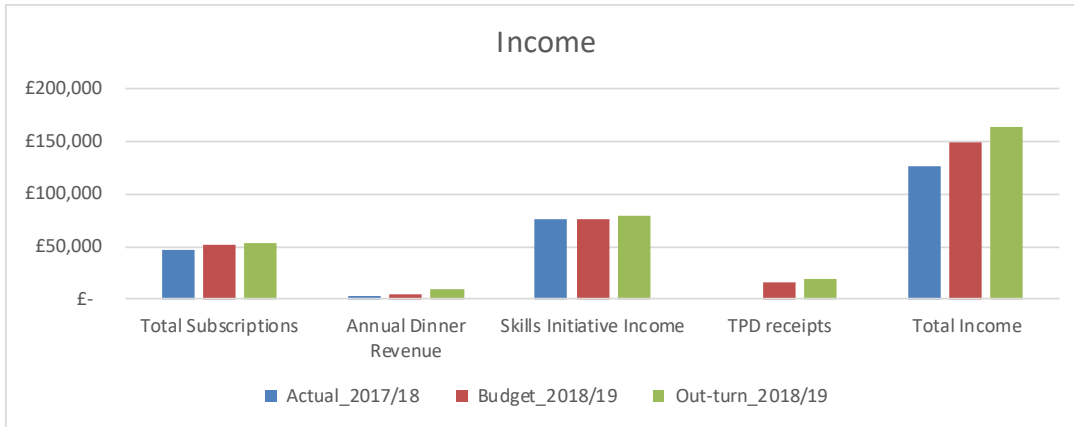
## 1. Overview of the Budget Analysis

The analysis starts from the detailed disaggregation of income and expenditure up to the end of September 2019 which the Treasurer received from ICE on 20 November 2019.

The various detailed budget lines are aggregated into relevant category totals for the main sources of Income and Expenditure.

The results are summarised in the table and charts below.

	Budget	Budgetted Increase	% Increase assumed in budget	Out-turn	Predicted Variance from Budget		DTC Comment
INCOME	2018/19			2018/19	£	%	
Subscriptions (Individual)	£ 46,645	£ 3,805	9%	£ 46,378	-£ 268	-0.6%	Subscriptions delivered close to the 9% target increase assumed in the 2018/19 budget
Subs TPP	£ 4,130	£ 235		£ 4,520	£ 390	9%	
Subscriptions (Business Directory)	£ 300	£ 200		£ 940	£ 640	213%	
Event Income & Sponsorship	£ -	-£ 183		£ 783	£ 783	n/a	
Annual Dinner Revenue	£ 5,000	£ 1,292	35%	£ 10,245	£ 5,245	105%	Income from 2 Annual Dinners in 2018/19, due to move from Nov 2019 to June 2019
Interest on deposit	£ 420	-£ 310		£ 1,072	£ 652	155%	
Sundry income	£ 250	£ 250	n/a				
Skills Initiative Income	£ 76,000	£ 667	1%	£ 79,800	£ 3,800	5%	Skills income was £4K (=5%) above budget
TPD receipts	£ 16,500	£ 16,500	n/a	£ 18,994	£ 2,494	15%	Note that sponsorship for TPD 2019 will be included in next year's accounts
<b>Total Income</b>	<b>£ 149,245</b>	<b>£ 22,456</b>	<b>18%</b>	<b>£ 162,732</b>	<b>£ 13,487</b>	<b>9%</b>	<b>Overall income was £13.5K (=9%) higher than budget</b>
EXPENDITURE	Budget	Budgetted Increase	% Increase assumed in budget	Out-turn	Predicted Variance from Budget		DTC Comment
	2018/19	£ -					
ICE Service Charge	£ 13,103	£ 8,674	196%	£ 9,930	-£ 3,173	-24%	ICE charge was significantly lower than budgeted
Annual Dinner Costs	£ 4,000	£ 1,028	35%	£ 10,703	£ 6,703	168%	2 Annual Dinners in 2018/19, due to move from Nov 2019 to June 2019
TPD Expenses	£ 35,000	£ 17,000	94%	£ 40,894	£ 5,894	17%	2017/18 costs just include the preparation for TPD 2018, while 2018/19 includes delivery of TPD 2018 plus preparation for TPD 2019
Other Core Activities	£ 27,300	£ 3,997	17%	£ 22,206	-£ 5,094	-19%	
Skills Initiative sub-total	£ 87,575	£ 17,011	24%	£ 77,614	-£ 9,961	-11%	
<b>Total Expenditure</b>	<b>£ 166,978</b>	<b>£ 47,710</b>	<b>40%</b>	<b>£ 161,347</b>	<b>-£ 5,631</b>	<b>-3%</b>	<b>Overall expenditure was £6K (= 3%) less than budget</b>
Annual Dinner Surplus (Revenue - Costs)	£ 1,000	£ 263		-£ 458	-£ 1,458		Includes Stakeholder Event Costs and TPS paying for 4 Regional Reps
TPD Surplus (Revenue - Costs)	-£ 18,500	-£ 500		-£ 21,900	-£ 3,400	18%	TPD 2018 + preparation for TPD 2019 incurred net costs of £22K, which was £3K more than budgeted
<b>Surplus for the year</b>	<b>-£ 17,733</b>	<b>-£ 25,254</b>		<b>£ 1,385</b>	<b>£ 19,118</b>		<b>The £18K deficit forecast in the 2018/19 budget was turned into a small (£1K) surplus</b>



The Balance Sheet at the end of September 2019 is summarised below:

TRANSPORT PLANNING SOCIETY							
BALANCE SHEET							
AS AT 30 SEPTEMBER 2019							
2017 / 18							2018 / 19
£							£
		CURRENT ASSETS					
204,785		Cash at bank					199,032
19,086		Debtors					20,288
7,424		Prepayments					9,404
231,295							228,724
		CURRENT LIABILITIES					
		Creditors		24,084			
		Accruals		5,204			
		Receipts in advance		13,000			
		Suspense		85			
46,329							42,373
184,966		NET CURRENT ASSETS					186,351
		Represented by:					
177,445		ACCUMULATED FUND b/fwd					184,966
7,521		Surplus / (deficit) for the period					1,385
184,966		Fund balance at 30 September 2019					186,351

## 2 Key Points

This analysis of income & expenditure suggests the following 'headline' conclusions:

- Income from Individual Subscriptions in 2018/19 were around 9% higher than 2017/18, almost exactly in line with the corresponding budget expectations;
- the revenue for the year was inflated by having had two Annual Dinners in 2018/19 (due to the move from November 2019 to June 2019) – this additional revenue is offset by a corresponding costs of the extra Annual Dinner (in the Expenditure table);
- Income from the Skills Initiative (ie Stakeholder Subscriptions for PDS & TPP etc) was £4K (=5%) higher than budget, representing 6% growth in the corresponding Skills-related income from 2017/18;
- Total Revenues were around £12.5K (=8%) higher than budget and 28% higher than in 2017/18;
- Overall expenditure was slightly lower (£6K = 3%) than budgeted, mainly due to an £10K under-spend on the Skills Initiative (TPP Reviews etc)
- The net result was a small (£1,385) **surplus** for the year, compared to the £18K **deficit** assumed in the 2018/19 budget.
- This increased the Society's net assets to over £186K at the end of September 2019, suggesting that there is some scope to fund additional initiatives in the coming year, particularly if these initiatives help attract new members and/or generate additional subscription income.

### **3 Reserves Policy**

The Articles currently do not specify the level of reserves which the TPS should hold.

I therefore suggest that a reasonable 'worst-case' scenario would be to plan to be 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 2018/19 accounts would require reserves of around £93,000, suggesting that our current reserves (£186,351) are currently double what they would need to be to cope with this 'worst case' scenario.

The Society could/should therefore invest some of this surplus to fund additional initiatives in the coming years, particularly initiatives which help attract new members and/or generate additional subscription income, thereby supporting the sustainable growth of the Society.

### **4 Proposed Change to the Financial Year**

The Society's Financial Year currently runs from the 1<sup>st</sup> of October to the end of September in the following year.

This 'unusual' financial year creates a particular 'nuisance' when analysing and reporting the finances of Transport Planning Day in November, in that some, but not all, of the costs of planning TPD in Year X are incurred in the preceding Financial Year and sponsorship income also tends to straddle the end of the Financial year at the end of September.

Since the Society's membership subscriptions are based on the calendar year, there is no obvious rationale for retaining this Oct-Sept financial year.

We therefore propose to change the Society's next Financial Year to run from January 2021 to December 2021, with the current year's accounts (to be reported at the AGM in early 2021) extended to cover the 15-month period from October 2019 to December 2020).

This proposal will be discussed and voted on at the AGM on 19 March 2020.