**TREASURERS REPORT TO THE AREA COUNCIL – JANUARY 2023**

**Bank balances**

Community account £21,575.45

Special Fund £2,219.01

Building Society £6,366.16

Building Society bond £13,289.33

Cash £196.06

Please remember that the balance on the community account is only a snapshot in time and this includes amounts received in advance such as deposits for the Area trip, education fund subscriptions and £9,870 Flower Arranger subscriptions.

**Affiliation fees**

Many thanks to those clubs who have paid their affiliation fees. Can I remind all outstanding clubs that fees are due by 31 March 2023. The affiliation fee form was sent to all Area Chairmen and Secretaries is also available on the Area website.

**Area travel allowance**

Following the announcement at the October Council meeting that the Area would reduce the Area travel allowance from 45p per miles to 35p per mile we received a request from one club to reconsider this reduction. This request was discussed at the December 2022 Executive meeting and our response was as follows:

*As requested, we discussed your request for North East Area of NAFAS Executive to reconsider the reduction in the travel allowance rate from 45p per mile to 35p per mile. A summary of our discussion is as follows:*

* *The overriding principal of the Area expenses policy is that no-one who is carries out authorised activities on behalf of the Area should be out of pocket financially*
* *Equally no-one should be seen as making a profit from those activities*
* *The Area paid 35p per mile as a travel allowance until April 2022*
* *Due to the rising costs of fuel, to around £1.98 per litre, the Area Executive took the decision to increase the travel allowance from 35p per mile to 45p per mile*
* *As fuel prices started to fall significantly the Area Executive and one of the Discipline Representatives expressed their concerns that the 45p per mile was over compensating them*
* *If we use as an example the average fuel usage of 40 miles to the gallon, as there are 4.546 litres to the gallon that is the equivalent of 8.8 miles to the litre, with most cars doing more that this*
* *If a car does a 100-mile journey for the Area it would use 11.4 litres of fuel which at £1.98 per litre would cost £22.57 and the travel allowance claim would be £45 at 45p per mile*
* *When the Area Executive met to consider the budget for 2023, fuel prices had dropped to around £1.65 per litre so the equivalent calculations would be a cost of £18.32 and £45 claimed*
* *By reducing the travel allowance to 35p per mile the cost of fuel would remain at £18.32 and the claim would reduce to £35*
* *Since the decision was made to reduce the travel allowance rate fuel has dropped further and is now under £1.60 a litre meaning a litre of fuel had decreased by around 40p since the decision was made to increase the rate paid by the Area*
* *We noted that the cost of diesel is higher but those vehicles do more miles per litre of fuel*
* *It was noted that the 45p per mile paid by NAFAS is only a recommended rate and that each Area and each club are autonomous and can set their own policies*
* *We also noted that demonstrators are undertaking a business activity and therefore are required to take out business travel insurance on their vehicles which costs considerably more than standard insurance*
* *The 45p per mile is not an HMRC rate, this is the maximum that can be paid without any potential tax consequences*

*Having considered all of the above the Area Executive considered that a travel allowance of 35p per mile fully compensates individuals. Should fuel prices increase significantly in the future we would look at the position at that time.*

It should be noted that since the beginning of December 2022 fuel has now decreased to below £1.50 a litre, a reduction of around 50p per litre since April 2022. I actually paid £1.43 the other day.

**Independent Examination of the Area Accounts**

A question was asked at the Area AGM if the Area obtained a second quote for this service, the answer was that we did not and we agreed to discuss at the next Area Executive meeting.

This we did despite the AGM approving the reappointment.

History

When I took over as Treasurer at North Ferriby Flower club (some 20+ years ago) we needed an independent examiner of the accounts. The then chairman asked one of her neighbours to do this and he agreed.

It turned out that Chris was the Finance Director of a UK multi-national listed company. When he took early retirement, he decided he needed something to do so set up Remington’s and had both private and corporate clients. He continued to examine the accounts of North Ferriby Flower Club.

When I became Area Treasurer, we needed to appoint an Independent Examiner and with the agreement of the Area Executive at the time we appointed Remington’s who carried this out for 7 years.

When Chris decided, the time had come to fully retire he transferred his business to Botterills.

For those of you who are not aware I was an Associate Director at Ernst & Young who I worked for for 35 years before I recently retired. As a result, I know a significant number of accountants in the area many of who I worked with as colleagues or clients. Many others I know by reputation.

This would make it very difficult for me to find an alternative that was not potentially a conflict of interest.

I worked on the basis that if Remington’s were happy to transfer the business to Botterills that was good enough for me and the Area Executive agreed.

I want to put on record that I have no prior interaction with Botterills either professionally or personally and there is no conflict of interest as I understand the person who asked the original question about a second quote asked after the AGM if we have a conflicts of interest policy.

**Postage Stamps**

The old style stamps were due to expire at the end of the month however, they have given a 6 month extension to this so there is still time to use any old stamps you still have. The post master in our village ask me to remind everyone not to remove the barcode next to the stamp as this is the most important part.