



**TRUSTEES' ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

Registered charity No. 288434

Company No. 01752272

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U3A IN LONDON

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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U3A IN LONDON

CHARITY AND COMPANY INFORMATION

Executive Committee (Trustees and directors)	Officers	Naomi Stuart Amalia Michaels Anthony Sober Brian Levy	(Chairman) (Vice chairman) (Treasurer) (Assistant treasurer)
	Other members		

* David Bramson
Ursula Clements
* Maggie Crawford
Herbie Goldberg
Mike Hjul
* Diana King
Susan Kwok
Gerta Regensburger
Ron Tucker
Gilli Vafidis
Ann Watkins

* = co-opted member

Company Secretary	Ursula Clements
Registered charity number	288434
Company number	01752272 Registered in England
Registered office	Old Town Hall 213 Haverstock Hill London NW3 4QP
Independent auditors	Knox Cropper Chartered Accountants 65 Leadenhall Street London EC3A 2AD
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ

U3A IN LONDON

Registered charity number: 288434

Company number: 01752272 - registered in England

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Executive Committee of U3A in London (which is referred to below as 'the charity' or 'the company') presents its annual report for the year ended 31 August 2019. This report includes the directors' report required by company law.

Administrative details of the charity, its Executive Committee and its advisers are given on page 3.

Objective and activities

The charity's stated objective is to advance the education of the public, and in particular older men and women, in the Greater London area.

The charity seeks to achieve this objective by the provision of study groups and leisure activities.

The annual membership subscription entitles members to attend all study groups and Monday talks without further charge. Members participating in other activities pay a charge to help defray the costs.

U3A in London is a member of The Third Age Trust, which is the co-ordinating body for U3As throughout the United Kingdom.

'U3A' is an acronym for 'University of the Third Age'. A U3A is not a university in the current sense of a body which awards degrees but in the original sense of a community of people both engaged in learning and learning from each other. It offers no certificates or degrees and its members study for the pleasure of learning. The leaders of study groups are called co-ordinators, rather than teachers or lecturers, because learning is seen as a co-operative process.

U3A in London has no employees and all its activities — the leading of study groups and the administration of the study groups, other activities and the charity itself — are carried out by members (including the trustees) on a voluntary basis.

Public benefit

The Executive Committee has given careful consideration to the Charity Commission's guidance on public benefit. Membership of the charity is open to all, without regard to age, colour, race, ethnicity, religion, gender, sexual orientation or disability.

Reasonable steps are taken to meet the needs of members who are or become disabled: the premises from which the charity operates have disabled access and, where needed, personal carers can, without charge, accompany members participating in study groups. The charity has established a policy for the protection of members who may be regarded as physically or mentally vulnerable, while attending activities both on the charity's premises and outside them.

While the charity's stated objective refers, in particular, to older men and women and to the Greater London area, there is no age limit in practice nor restriction by area. However, the charity does not take active steps to recruit members living in areas primarily served by other U3As.

A substantially reduced subscription is available for members in receipt of welfare benefits.

Achievements and performance

Membership

During the summer term (and before members were invited to renew their subscriptions for the following year) 1853 members were registered — 22 less than in the previous year. They included 324 (2017/18: 401) who had joined within the previous 12 months.

Recruitment of new members is primarily by word of mouth and through the charity's website.

Study groups

In the year under review the charity arranged study groups on subjects that included history, science, languages, literature, art, music, physical fitness and bridge. Most of the study groups were provided weekly for three academic terms, from September to July. Talks were given on each Monday of term by outside speakers on topics of general interest, and additional talks were provided by members and outside speakers during the summer vacation.

Other benefits for members

As well as organising study groups, the charity arranges an Easter study conference. In 2019, the subject was "Upsetting the applecart" and the conference was attended by some 150 members including guests from other U3As.

During the summer vacation, some lectures were arranged on most days, and there were three outings to stately homes, attracting an average of 50 participants. There were also 8 visits to places of interest in London.

By enabling its members to meet together, the charity helps to mitigate the danger of social isolation for older people.

Accommodation

The charity occupies rooms at and near the Old Town Hall in Haverstock Hill, London NW3. Rooms on the first floor of the Old Town Hall are leased until 30 June 2020 at an annual rent of £89,000. Rooms on the second floor are also occupied at an annual licence fee of £30,000. In addition, the charity's members are entitled to use the café premises at the Old Town Hall under a licence, for which the annual fee is £22,000, which is continuing ad hoc.

The search for alternative premises has proved abortive, but negotiations with our landlord at The Old Town Hall have been successful. We have agreed and signed a new lease to start at the end of our current lease and licence in 2020. This will give U3A security of tenure for a further 20 years.

Some study groups take place at the nearby Aspern Centre Community Hall for which an hourly charge is made under an agreement expiring in 2020.

The Peter Samuel Hall at the Royal Free Hospital is occupied under licence for the talks given on Mondays and a study group meeting that takes place immediately following them. The licence continues until 31 August 2020 at a fee that is currently £12,000 but is subject to indexation based on the Retail Prices Index. We have been notified that this arrangement will not be renewed and we are actively arranging alternative accommodation.

Financial review

Income and expenditure

Summary

	2018/19 £000	2017/18 £000
Income	214	281
Expenditure	231	240
Net income	-17	41
Investment gains	85	56
Net income	68	97

Details are given on page 10 and in the notes on pages 14 to 16

Income was £67,000 less than in the previous year. This was because we received no legacies in the year (2017/18: £70,000)

The charity's principal source of recurring income is subscriptions from members, supplemented by income tax recovered under Gift Aid. Subscriptions in 2018/19 were much the same as in the previous year.

In order to provide study groups and to administer them and its other activities, the charity incurs substantial rent and similar accommodation costs. Expenditure during 2017/18 included exceptional amounts of £20,000 in connection with extending the lease.

Balance sheet

At 31 August 2019, the charity's total assets exceeded its liabilities by £1,668,000 (2018: £1,600,000).

The balance sheet on page 11 and the notes on pages 16 to 19 provide details of the assets and liabilities.

Our investments, which are all with CCLA, an investment house which acts exclusively for charities and local authorities, were adjusted during the year to reflect current world economic conditions and our own future requirements following the signing of our extended lease.

Debtors and prepayments decreased by £9,000.

Creditors falling due within one year of the balance sheet date amounted to £69,000, of which £63,000 comprised membership subscriptions received in advance and the related income tax recoverable under Gift Aid. The corresponding amounts a year earlier were £66,000 and £60,000 respectively.

As a result of the foregoing, at the end of the year the charity's balances of cash at bank and in hand amounted in total to £143,000 (2018: £149,000). A statement of the cash flows for the year is given on page 12.

Reserves and reserves policy

Details of the charity's funds (its reserves) are provided in note 17 on page 18.

There are no restricted funds.

The charity's policy is to set aside as a designated fund the reserves needed to help secure the charity's needs for accommodation in future years, to cover unforeseen circumstances and to provide income to supplement the charity's membership income and thus help cover the charity's running costs without relying on legacies and exceptional donations, the incidence of which is always uncertain: without significant amounts of investment income, subscription rates would have to be increased substantially.

The balances of the designated funds at 31 August 2019 totalled £1,450,000 (2018: £1,450,000). Of that amount, £1,400,000 is for securing and consolidating our future accommodation needs, as well as the other purposes mentioned above. The remaining £50,000 of designated funds is broadly equal to the charity's net income on unrestricted funds for the year ended on that date and has been designated to cover possible contributions in the following two years to other local charities serving older people that are willing to assist the charity in the recruitment of new members, especially those from diverse ethnic and social backgrounds - see 'Future developments' below.

The remaining £218,000 (2018: £150,000) of the funds of the charity is regarded by the Executive Committee as a free reserve.

Investment policy

The charity's policy is to invest monies not required in the short term for the charity's operations in common investment funds established in accordance with the Charities Act 2011. Investments have previously been made in both fixed-interest and equity-based units in order to balance the risks of fluctuations in the market value of investments against the need for a higher income than would be available from bank deposits. Having secured our accommodation for the next 20 years, and taking account of expected fixed interest returns in the medium term future, our investment policy has been revised and all funds are now in a general mixed fund.

Structure, governance and management

U3A in London was incorporated on 12 September 1983 as a company limited by guarantee. It is a registered charity.

As a company, it is governed by its Articles of Association and in accordance with the Companies Act 2006; the former are as amended by a special resolution of the members of the company on 23 March 2015.

Management and trustees

The Executive Committee of the charity is responsible for determining the policy of the charity and for making major decisions regarding its operations.

The members of the Executive Committee are the trustees of the charity for the purposes of charity law. They are also the directors of the company for the purposes of company law.

The trustees receive no remuneration and pay subscriptions and for events on the same basis as all other members.

Day to day responsibility for the operations of the charity rests with its officers, three of whom (the chairman, vice-chairman and treasurer) are elected by the trustees from among the members of the Executive Committee immediately after each year's annual general meeting. A fourth officer may be so elected at any time.

A number of trustees are made responsible for individual activities, and report to the chairman and to the meetings of the Executive Committee.

Appointment of trustees

The appointment of trustees is governed by the company's Articles of Association. All trustees must be members of the company. Up to twelve trustees are elected by the members of the company at each year's annual general meeting for a term of one year. If an elected trustee has served for four years in succession, he or she is not eligible for re-election for a period of two years. If there is a casual vacancy among the elected trustees, it is filled by the unsuccessful candidate who received the next highest number of votes at the previous annual general meeting.

The elected trustees may co-opt up to six additional trustees, together with another one or two if the number of elected trustees falls below twelve or eleven respectively. All co-opted trustees serve until the conclusion of the next year's annual general meeting.

Recruitment and training of trustees

In order to recruit new trustees, requests for members to come forward are made in newsletters, at annual general meetings and by approaching members who are active in the charity's activities. All the members of the charity are formally invited each year to nominate candidates for election as trustees at the annual general meeting.

Potential trustees are called on to complete a questionnaire to establish their suitability to hold office having regard to the requirements of H M Revenue and Customs and the Charity Commission.

Newly elected or co-opted trustees are provided with the Charity Commission's published guidance on trustees' responsibilities, and with further information at their request.

Additional training for the trustees is provided when it appears necessary.

Serving trustees

The names of the trustees at the date of this report are listed on page 3. All served throughout the year under review except for Herbie Goldberg and Gilli Vafidis, who joined at the annual general meeting held on 1 April 2019. Jan Potter, Marjorie Power, Barry Rae and Phyllis Rosenberg, who were trustees at the beginning of the year did not stand for re-election.

Financial controls

The Executive Committee is responsible for keeping proper accounting records which disclose the financial position of the charity with reasonable accuracy at any time and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Appropriate internal control procedures continue to be in place to these ends.

Trustees' responsibilities

The Executive Committee is required to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for the year.

The charity makes up its financial statements up to 31 August in each year.

In preparing the financial statements, the Executive Committee must:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed — subject to any material departures that are disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

Auditors

The trustees confirm that they have made appropriate enquiries to determine all the relevant audit information and have made available all the information and explanations that the auditors required for the purposes of their audit. They are not aware of any relevant audit information of which the auditors are unaware.

A resolution will be proposed at the annual general meeting that Knox Cropper be re-appointed as independent auditors.

Future developments

The Executive Committee have concluded with our landlord at The Old Town Hall the details of a new lease to start at the end of our current lease and licence in 2020. This will give U3A security of tenure for a further 20 years, until 2040.

■ Contributions were made to three charities serving older people close to this charity's premises as contributions to their running costs. The recipients assisted U3A in London in the recruitment of new members, especially those from diverse ethnic and social backgrounds. The Executive Committee are currently looking to repeat this scheme, with the same or similar charities.

■ On 31 December 2019, the number of members was 1691, of whom 283 were new members. (The corresponding figures a year earlier were 1,708 and 404 respectively.)

This report was approved by the Executive Committee on 31 January 2020 and signed on its behalf by:



Ursula Clements
(Secretary)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U3A IN LONDON

Opinion

We have audited the financial statements of U3A in London (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources for the period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U3A IN LONDON (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of Trustees


As explained more fully in the Statement of Trustees' Responsibilities on page 7, the Executive Committee (the members of whom are the trustees for the purposes of charity law and the directors of the charitable company for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Kevin Lally (Senior Statutory Auditor)
For and on behalf of Knox Cropper (Statutory Auditor)
65 Leadenhall Street
London
EC3A 2AD

31 January 2020

Knox Cropper is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

U3A IN LONDON

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019 (including income and expenditure account)

	Note	Unrestricted funds £000	Restricted funds £000	<u>2019</u> Total £000	<u>2018</u> Total £000
Income					
Membership income	2	145	-	145	139
Donations and legacies	3	8	-	8	77
Investment income	4	48	-	48	51
		201	-	201	267
Charitable activities	5	13	-	13	14
Total		214	-	214	281
Expenditure					
Raising funds	6	31	-	31	31
Charitable activities					
Study groups	7	183	-	183	192
Events and sundry income	8	17	-	17	17
		200	-	200	209
Total	9	231	-	231	240
		(17)	-	(17)	41
Net gains/(losses) on investments:					
Realised		(11)	-	(11)	(2)
Unrealised		96	-	96	58
Net income for the year		68	-	68	97
Reconciliation of funds:					
Total funds brought forward		1,600	-	1,600	1,503
Total funds carried forward		1,668	-	1,668	1,600

The notes on pages 13 to 19 form part of these financial statements.

U3A IN LONDON

BALANCE SHEET AT 31 AUGUST 2019

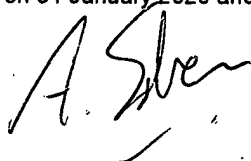
	Note	<u>2019</u> £000	<u>2018</u> £000
Fixed assets			
Tangible fixed assets	10	15	15
Investments	11	<u>1,546</u>	<u>1,460</u>
		<u>1,561</u>	<u>1,475</u>
Current assets			
Debtors and prepayments	12	33	42
Cash at bank and in hand	13	<u>143</u>	<u>149</u>
		176	191
Current liabilities:			
Creditors payable within one year	14	69	66
Net current assets		<u>107</u>	<u>125</u>
Total assets less current liabilities		1,668	1,600
Creditors payable after more than one year	15	-	-
Net assets	16	<u>1,668</u>	<u>1,600</u>
Representing:			
The income funds of the charity			
Unrestricted funds:	17		
General fund		218	150
Designated funds		<u>1,450</u>	<u>1,450</u>
		1,668	1,600
Restricted funds		-	-
		<u>1,668</u>	<u>1,600</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Registered charity No: 288434 - Company No: 01752272

Approved by the trustees on 31 January 2020 and signed on their behalf by:

Anthony Sober
Treasurer



The notes on pages 13 to 19 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Note	<u>2019</u> £000	<u>2018</u> £000
Cash flows from operating activities			
Net income for the year			
as shown in statement of financial activities on page 10		68	97
Adjustments for:			
Distributions and interest from investments	4	(48)	(51)
Depreciation charges	10	5	6
Net (gains)/losses on investments	11	(85)	(56)
(Increase)/decrease in income tax recoverable	12	15	(12)
(Increase)/decrease in legacy receivable	12	-	48
(Increase)/decrease in other debtors and prepayments	12	(6)	1
(Decrease) in subscriptions in advance	14	3	(11)
Increase/(decrease) in commitment under property agreement	14	0	(240)
Increase/(decrease) in other creditors and accruals	14	-	(1)
Net cash provided by / (used in) operating activities		(48)	(219)
Cash flows from investing activities			
Distributions and interest from investments	4	48	51
Purchase of tangible fixed assets	10	(5)	(3)
Sales/(purchases) of investments	11	-	123
Net cash provided by /(used in) investing activities		43	171
Cash flows from financing activities			
Repayments of borrowing	15	-	(2)
Net cash (used in) financing activities		-	(2)
Change in cash and cash equivalents in the year		(5)	(50)
Cash and cash equivalents at the beginning of the year		148	198
Cash and cash equivalents at the end of the year	13	143	148

The notes on pages 13 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and with the Companies Act 2006.

A summary of the more important accounting policies is set out below.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor a significant risk that uncertainty over estimates made for the purpose of these financial statements may cause a material adjustment to the carrying value of assets and liabilities.

The charity is a public benefit entity.

(b) Income

Subscription income and the related recoverable income tax are accounted for in the year to which they relate, income tax recoverable on donations in the year the donations are received, legacies when their receipt by the charity can be measured with reasonable certainty, income from events when the event takes place and income distributions on investments when the price becomes 'ex div'. Other incoming resources are accounted for when they are received.

(c) Expenditure

Expenditure is allocated between costs of generating funds and costs of charitable activities. The amount allocated comprises those costs which are directly attributable to each category together with an allocation of support costs.

Support costs are those costs that are not directly attributable to a single category but provide the necessary organisational support for all the charity's activities. They include an apportionment, based on relative floor areas, of the rent and other expenses of the leased premises and governance costs (see below). Support costs are allocated in proportion to the aggregates of the income (other than legacies and investment income) and the directly attributable expenditure of each of the categories referred to above.

Governance costs comprise the costs of external and internal audit, legal advice for the trustees on corporate matters and those associated with constitutional and statutory requirements.

U3A IN LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (continued)

(d) Tangible fixed assets

Tangible fixed assets costing less than £250 are written off in the statement of financial activities in the year in which the expenditure is incurred. The cost of other tangible fixed assets is capitalised and depreciated over the estimated useful lives of the assets. Until 31 August 2013, all classes of assets were depreciated over five years. Thereafter, the estimated useful life of each class of assets has been as follows:

Leased office equipment	4 years
Computer equipment	7 years
Other equipment and furniture	10 years

The resulting net book values are reviewed at each balance sheet date and additional amounts are written off if appropriate.

(e) Investments

Investments are stated at the mid point between the managers' bid and offer prices for units.

(f) Liabilities

Liabilities are recognised when goods and services have been delivered or when there is considered to be a reasonable probability that a contingent liability will crystallise.

(g) Finance leases

Finance leases are those where substantially all the benefits and risks of ownership of the leased assets are assumed by the charity. Assets acquired through such leases are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease and their estimated useful lives as stated in note 1(d).

The finance charges included in each rental payment are calculated to spread the cost over the lease term according to the amounts outstanding. Obligations under finance leases are included in creditors net of the finance charges relating to future periods.

	Unrestricted funds £000	Restricted funds £000	<u>2019</u> Total £000	<u>2018</u> Total £000
2 Membership income				
Subscriptions	125	-	125	132
Income tax recovered	20	-	20	7
	<u>145</u>	<u>-</u>	<u>145</u>	<u>139</u>
3 Donations and legacies				
Donations	7	-	7	6
Income tax recovered	1	-	1	1
Legacies	-	-	-	70
	<u>8</u>	<u>-</u>	<u>8</u>	<u>77</u>
4 Investment income				
Bank and other interest	-	-	-	1
Income distributions	48	-	48	50
	<u>48</u>	<u>-</u>	<u>48</u>	<u>51</u>

U3A IN LONDON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds £000	Restricted funds £000	<u>2019</u> Total £000	<u>2018</u> Total £000
5 Income from charitable activities				
Events and sundry income:				
Easter conference	6	-	6	9
Outings and concerts	5	-	5	3
Sundry income	2	-	2	2
	<u>13</u>	<u>-</u>	<u>13</u>	<u>14</u>
6 Costs of raising funds				
Payments to other charities (see note 20)	19	-	19	18
Publicity	-	-	-	-
Support costs — see note 9(d)	12	-	12	13
	<u>31</u>	<u>-</u>	<u>31</u>	<u>31</u>
7 Costs of study groups				
Accommodation	140	-	140	152
Other direct costs	11	-	11	7
Support costs — see note 9(d)	32	-	32	33
	<u>183</u>	<u>-</u>	<u>183</u>	<u>192</u>
8 Costs of events and of sundry income				
Easter conference	6	-	6	9
Outings and concerts	8	-	8	3
Sundry income	1	-	1	3
Support costs — see note 9(d)	2	-	2	2
	<u>17</u>	<u>-</u>	<u>17</u>	<u>17</u>
9 Total expenditure included:				
(a) Rent and licence fees payable				
Leased accommodation			89	93
Payments to secure availability of Café premises			20	22
Licensed accommodation			39	26
Additional accommodation			4	6
			<u>152</u>	<u>147</u>
(b) Professional charges				
Payable to the auditors			3	3
Payable to other advisers			-	7
			<u>3</u>	<u>10</u>
Comprising charges in connection with:				
Independent audit			3	3
Accommodation			-	7
			<u>3</u>	<u>10</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9 Total expenditure (continued):

(c) Remuneration and expenses

The trustees received no remuneration.

Travelling expenses of £487 were paid to or on behalf of four trustees (2018: £487 to two trustees) or persons connected with them.

The charity has no employees and paid no salaries or wages; all its activities are carried out voluntarily by its members.

	<u>2019</u>	<u>2018</u>
	Total	Total
	£000	£000
(d) Support costs		
Office accommodation	21	23
Depreciation of office furniture and equipment	5	6
Communications	6	7
National affiliation fees	9	6
Finance lease charges	-	-
Governance costs:		
Audit fee	3	3
Other professional charges	-	-
Other governance costs	1	1
Other support costs	1	2
	<u>46</u>	<u>48</u>
Allocated as follows – see note 1(c):		
Raising funds	12	13
Study groups	32	33
Events and sundry income	2	2
	<u>46</u>	<u>48</u>

10 Tangible fixed assets

	Leased office equipment £000	Computer equipment £000	Other equipment and furniture £000	<u>2019</u> Total £000	<u>2018</u> Total £000
Cost					
Brought forward	10	19	47	77	73
Disposals in year	(10)	-	-	(10)	-
Additions in year	-	1	3	4	3
	<u>-</u>	<u>20</u>	<u>50</u>	<u>71</u>	<u>76</u>
Depreciation					
Brought forward	10	14	37	61	55
Disposals in year	(10)	-	-	(10)	-
Charge for year	-	1	4	5	6
	<u>-</u>	<u>15</u>	<u>41</u>	<u>56</u>	<u>61</u>
Net book value					
at 31/08/2019	<u>-</u>	<u>5</u>	<u>9</u>	<u>15</u>	<u>15</u>
Net book value					
at 31/08/2018	<u>-</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>18</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

10 Tangible fixed assets - continued

No further expenditure on tangible fixed assets had been authorised by the trustees at 31 August 2019 (2018: nil).

Tangible fixed assets with an aggregate cost of £25,000 had been fully depreciated but remained in use at 31 August 2019 (2018: £24,000).

	<u>2019</u>	<u>2018</u>
	£000	£000
11 Investments		
Cost	1,460	1,527
Sold in year	(945)	(123)
Additions	945	-
Gains	86	56
Market value	<u>1,546</u>	<u>1,460</u>

The investments comprised units in the COIF Charities funds listed below.

The changes in market value over the year were as follows:

	Brought forward £000	Purchased/ (sold) in year £000	Realised gain/(loss) £000	Unrealised gain/(loss) £000	Carried forward £000
Fixed Interest Fund	457	(455)	(2)	-	-
Global Equity Income Fund	499	(490)	(9)	-	-
Investment Fund	504	945	-	97	1,546
Property Fund	-	-	-	-	-
	<u>1,460</u>	<u>-</u>	<u>(11)</u>	<u>97</u>	<u>1,546</u>
2018	1,527	(123)	-	58	1,460

12 Debtors and prepayments

Income tax recoverable	9	24
Legacy receivable	-	-
Other debtors	-	-
Prepayments	24	18
	<u>33</u>	<u>42</u>

13 Cash at bank and in hand

Current accounts and cash in hand	133	139
Demand deposit	10	10
	<u>143</u>	<u>149</u>

14 Creditors payable within one year

Membership subscriptions received in advance	63	60
Current obligations under finance lease — see note 15	-	2
Commitments under property agreement	-	-
Other creditors and accruals	6	4
	<u>69</u>	<u>66</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	<u>2019</u> £000	<u>2018</u> £000
15 Creditors payable after more than one year		
Obligations under finance lease		
Amounts payable within one year	-	2
Amounts payable between two and five years	-	-
	-	2
Less: future finance charges	-	-
	-	2
Less: current obligations — see note 14	-	(2)
	-	-

16 Analysis of net assets between funds

	Tangible fixed assets £000	Invest- ments £000	Net current assets £000	Finance lease £000	Total <u>2019</u> £000
Unrestricted funds					
General fund	15	96	110	-	218
Designated funds	-	1,450	-	-	1,450
	15	1,546	107	-	1,668
Restricted funds	-	-	-	-	-
	15	1,546	107	-	1,668

17 Movements in unrestricted funds

	Balance at 31 August 2018 £000	Income £000	Expenditure £000	Gains on investments £000	Transfers between funds £000	Balance at 31 August 2019 £000
General fund	150	214	(231)	85	-	218
Designated funds						
See 1 below						
See 2 below	1,450	-	-	-		1,450
	1,600	214	(231)	85	-	1,668
Designated funds						

1 An amount of £1,400,000, broadly equal to the market value of the charity's investments (2018: £1,400,000), has been set aside from the general unrestricted fund to help secure the charity's needs for accommodation in future years. It also provides income to supplement membership income and thus help cover the charity's running costs without relying on legacies and exceptional donations, the incidence of which is always uncertain: without significant amounts of investment income, subscription rates would have to be increased substantially. This designated fund further acts as a reserve in case of unforeseen circumstances.

2 A further amount of £50,000, broadly equal to the charity's net income on unrestricted funds for the year ended 31 August 2019, has been set aside to cover possible contributions in the following two years to other charities serving older people in the area close to this charity's premises that are willing to assist this charity in the recruitment of new members, especially those from diverse ethnic and social backgrounds.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

18 Commitment under non-cancellable operating lease

At 31 August 2019, the charity had an annual commitment of £79,000, including Value Added Tax, under a non-cancellable operating lease expiring within one year (2018: two years). In addition it had a further non-cancellable lease starting on that expiry date for a further 20 years with an annual commitment of £100,000 plus Value Added Tax if appropriate and subject to 5 yearly upward reviews. The aggregate of such commitments, excluding the upward reviews, is £2,140,000 (2018: £2,140,000).

19 Taxation

The charity is exempt from taxation on its income and capital gains to the extent that they are applied for exclusively charitable purposes.

20 Payments to other charities

The following payments were made to local charities, who agreed to advertise or otherwise promote the name and activities of U3A in London (see notes 6 and 17):

	<u>2019</u>	<u>2018</u>
	£000	£000
The Hampstead School of Art	8	9
The Keats Community Library	3	4
The Primrose Hill Community Association	4	5
Maggie's Cancerkin	4	0
	<u>19</u>	<u>18</u>