

Annual General Meeting

11 April 2018

University of the Third Age Brisbane Inc.

Treasurers Report

The audited financial statements of the Association for the year ended 31 December 2017 have been circulated.

The overall aim of the financial management of the Association is to support the objective of providing a stimulating educational and social experience to older members of our community in an easily accessible, quality central location; thus making a very substantial contribution to society by helping its members to remain healthy and active for longer.

The challenge flowing from this aim is that a substantial proportion of our expenses, the purchase, leasing and maintenance of property is essentially long term while our revenue is very short term, in addition every aspect of the Association's activities is managed by volunteers. To manage the Association we need to maintain adequate reserves and plan well ahead.

From the following simplified summary of our financial performance over the past four years you can see that we have succeeded in managing the finances during a period of considerable change in our property commitments, particularly during the move to Adelaide Street in the 2016 financial year. At the same time we have maintained adequate reserves without increasing the cost of class or membership fees

	2017	2016	2015	2014
	\$000	\$000	\$000	\$000
Total Revenue	486	448	440	369
Total Cash Expenses	<u>352</u>	<u>339</u>	<u>296</u>	<u>253</u>
Operating Cash Surplus	134	109	144	116
less				
Debt Reduction	68	53	45	45
Capital Expenditure	7	215	13	17
Transfer to Cash Reserves	<u>59</u>	<u>-159</u>	<u>86</u>	<u>54</u>
Cash Reserves	353	294	453	367
Other Equity	317	306	118	108
Total Equity	<u>670</u>	<u>605</u>	<u>571</u>	<u>475</u>

Over the last years there has been a significant increase in activity, marked by increasing revenue and associated expenses. This increase has resulted from the Association's willingness to accept and meet the challenge of increasing demand, initially expanding beyond Creek Street to Queen Street and then to Adelaide Street. The challenge of increasing demand and efficient utilisation of our resources remains with us and occupies the minds of the Management Committee members.

The Association has recovered from the negative cashflow impact of the move to Adelaide Street, detailed in last years report. We once again have been able to increase our cash reserves, at the same time we have experienced an increase in redemption requests from Noteholders whose circumstances have changed, accelerating our debt reduction. We are happy to consider redemption requests as additional redemptions lower the substantial interest cost associated with the Noteholders.

Our ten year budget, upon which we base the strategic planning of the Association, maintains a conservative framework sufficient to meet the liability we have to our Noteholders within the time frame established when the initial investments were made. At the end of the financial year the total remaining capital debt to Noteholders stood at \$622,775, a reduction of \$277,225 over the preceding five and a half years.

Once again I have to acknowledge that my task as treasurer has been lightened by the diligent volunteers using the excellent recording methods developed over years of experience and backed with utilitarian IT systems. For an all-volunteer association the quality of financial recording is outstanding and the occurrence of any error extremely rare. I thank everybody involved in the day to day process which is finally distilled in the accompanying audited financial report.

Greg Williamson
Honorary Treasurer
11 April 2018