GALE AGM FINANCE REPORT

As will be apparent to those holding a set of the latest financial accounts our accounting period follows the calendar year and so the current report covers the 2024 calendar year

I shall start by asking a rhetorical question – has anyone noticed the difference between the current set of financial accounts and those of previous years - the answer is that the 2024 accounts were subjected to an audit by the accountants whilst in previous years the accountants did not carry out an audit but simply reported on the accuracy of the financial statements. That change resulted in GALE paying an additional £5,000 in fees

Rather incongruously the turnover threshold for a charity requiring an auditor's report is £500,000 whilst the equivalent for a commercial company is £10.2M. The charity threshold is increasing in 2026 to £1m so GALE will require an audit in 2025 and will therefore incur the additional accountancy fee in 2025 but will cease to require an audit in 2026.

Whilst not then a director of GALE, I attended the meeting in April 2024 in the Community Hall which displayed a significant degree of negativity towards GALE and also allowed a considerable number of incorrect accusations against GALE.

An audit not only involves the accountants checking the accuracy of the figures shown in the accounts but also involves a scrutiny of the accounting and reporting systems. As will be apparent the audit report contains no negative comments and should put an end to the misinformation circulated regarding the activities of GALE.

If you turn to the Statement of Financial Activities on Page 11 which is also displayed on the screen.

At this point I would suggest that the prescribed format of the accounts of a charity is the most difficult for a non - accountant to understand.

If you look at the Unrestricted Funds column which gives the trading results you will note that we have incurred a trading loss of circa £57k. Trading conditions are challenging and have not been helped by the increase in employers national insurance announced in 2024 budget and annual increases in the minimum wage add to our overhead costs.

We do need to ensure that we can achieve a trading profit in future years. GALE employs a significant number of local people and is involved in several charitable activities, so its future existence is important to the local community

Designated Funds are funds which the directors have ring fenced for specific activities, but those funds can be transferred back to Unrestricted funds if the directors so approve but that is not likely to be a chosen route

Restricted Funds generally relate to grant funding which must be applied for the project determined by the donor or returned to the donor of not so applied so those funds are not available to finance other activities

Moving on to the Balance Sheet (page 12) which is now displayed on the screen

You will note that the fixed assets value has increased by around £400k which is related to the acquisition of the Sheiling in 2024. The Gale centre property is the other major asset included in the fixed assets total of £922,200

However, you will also note that our liquid funds have decreased by £20k to £232,005 and that the total of our unrestricted funds has dropped to £66,646

I have displayed on the screen note 18 which I believe gives an informative analysis of our assets and liabilities amongst the 3 types of funds. The note shows how the assets and liabilities are allocated amongst the unrestricted, designated and restricted funds

I hope that this presentation has been informative and will allay any fears that the activities of GALE are not fully scrutinised and approved