



A. Reporting period - context

Rotarian Action Groups are required to complete their accounts on a Rotary year basis. All are required to submit accounts to RI by 1st October, following the year end. The Accounts are published for access by subscribing Members at www.racsrag.ning.com and formally submitted to the Action Group's AGM for adoption.

The accounts and this Report cover the year to 30th June 2016. Figures for the year 2015/16 are also provided for comparison in the Accounts.

Fiscal & legal status of the Action Group and issues arising

- Charitable status:** Regrettably, under RI Action Group rules, RACSRAG (RACS) and other Rotarian Action Groups are not permitted to obtain charitable status. RACS and its donors do not therefore have Gift-Aid (tax-reclaim) opportunities; RACS cannot benefit from lower Charity based fiscal charges for subscription and similar transaction levied by PayPal. Most significantly Fund giving bodies are often precluded from supporting non-charity registered bodies.
- Legal status:** The legal status of all Rotarian Action Groups and specifically the legal responsibility of its Directors are uncertain: This has not been tested in the courts, according to our RI adviser.
- RACS' insurance protection:** Neither RI nor District Insurance policies cover the activities of RAGS, its Members, Officers or Directors. Each RAG is advised to assess its needs and fund any necessary cover deemed appropriate. The Action Group Board will look to take out relevant insurance cover, when funds permit.

B. Financial governance

Financial activities are governed by the Action Group's Bylaws, submitted to, and approved by the R.I. Board. A copy of the approved bylaws may be found on the public website www.racsrag.org.

Bylaws may be modified, subject to Membership, and subsequent RI approval, on recommendation by the RACSRAG's Board of Directors (*RACS' Board*) at each Annual General Meeting. Financial policies and arrangements, which do not frustrate the RI Policies, may be adopted by *RACS' Board*.

C. Fiscal policies determined by the RACS Board

The RACS' Board has determined that:

- Membership fees shall be as follows:
 - Centennial (Life) Membership fees £80, net of transaction costs for the first 100 subscribers.
 - Charter Membership last for 5 years from the date of payment at £50, net of transaction costs.
 - Annual fees (commencing 1st July of each year) £20, net of transaction costs.
 - Rotaractor / alumni fees (commencing 1st July of each year) £10 net of transaction costs
- Life membership fees (now exhausted) are to be credited to the accounts over a 20 year period. Charter Membership shall be credited over 5 years.
- The Action Group shall have a primary current and savings account with HSBC Bank plc, headquartered in the UK. – See [Account details](#), and a PayPal account for use in receiving subscriptions and donations from PayPal Account holders and via Card payments. Either may be used to make disbursements.
- The Board has appointed Rotarian Nigel Wordingham FCA to undertake an Independent Review of the Accounts. We thank Nigel for taking on this role.



D. Membership & financial comments

1. Membership:

- **Numbers:** RACSRAG currently has 176 paid up Members. This comprises 100 Life, 60 Charter and 15 annual Members. We have 2 Rotaractor Members.
- **Distribution:** Membership represents 143 Clubs in 82 Districts across 14 countries in 20 Rotary Zones. The UK has 57 Members, the USA 64; Australia 27, Italy 8, Nepal 2, India 4. Members can also be found in Zambia, South Africa, Mexico, Pakistan, Egypt and elsewhere.
- Like most Action Groups, converting the acknowledged Rotarian interest in RACSRAG's work into paid-up Membership is problematic. Over 1,600 Rotarians and others receive the Newsletter and we hope over time they will apply for Membership. We are a young organisation, and no doubt momentum will build as RACSRAG's achievements are better understood and appreciated

2. Financial commentary:

- Total project receipts to date amount to £13,373 of which £7,479 have been applied to projects in India, Nepal and the UK. At the year end the Action Group holds £5,893 to allocate to projects: Over half of which was received to support projects in Nepal.

A considerable larger amount has been raised and applied by Members and their Clubs to support projects promoted and supported by the Action Group. Details of which can be found in Chairman Mark Little's reports.

- Subscription receipts to date amount to £12,498. These are written down as outlined in Para C2. At 30th June 2016 £9,088 is available to meet future operational funding needs.
- The unexpended balance of funds received by way of sponsorship & donations is £3,328. These help defray the costs of operating the Action Group. This year we are grateful for support given by the Rotary Clubs of St Albans Priory, Edgeware & Stanmore, Lowestoft, and Lough, St Furzey's Church in Norfolk UK, and others.. As a result of their generous support, and by restraining costs the Action Group has a working balance of £4,467 which may be applied to fund promotion and other operational costs needed to help develop this Rotarian organisation as a global player in the fight against slavery.
- Until Membership and sponsorship revenues increase substantially, the Board has agreed to keep a tight rein on costs. If we are to be a world force in combating child slavery, RACSRAG cannot rely on personal goodwill and financing. Corporate funding and a bigger Membership base remain key challenges for the Board.

E. Creation of a Rotary Foundation (TRF) Donor Advised Fund (DAF)

The *RACS Board* has now established a Donor Advised Fund. This allows the TRF Trustees to grant-aid contributions made from the DAF towards appropriate slavery projects at the rate of 50% of DAF contributions. Our thanks to RC Luton North D1260 for providing funding to initiate our DAF, known as the TRF Ending Slavery Now DAF, reference number #566. Its valuation at the year end is \$10,068.

F. Sponsorship and donations

RACS websites, coupled with its Facebook and Twitter accounts provide global opportunities for businesses to expand their global recognition.

If you know a corporate or an Small / Medium Enterprise (SME) who:

- Manufactures goods in sensitive areas, and wants to be acknowledged as a slave-free producer
- Would commercially benefit from association with this (right time) Rotarian movement

Do provide contact details. Better still, why not talk with your *contact*, and ask them to *contact* me. I can then discuss business or social opportunities we might explore to suit their needs.

Stephen M. Sypula, Cipfa (Ret'd)
RACSRAG Hon. Treasurer,
August 2016