



A. Introduction

This is my concluding report on the accounts for the Action Group. It has been my pleasure to serve in this capacity since the Action Group was formally recognised by the RI Board in 2013, and indeed prior to that during the period we sought recognition. Summary accounts at 30th June 2020 are provided in Annex 1.

RAGAS is now on the cusp of a new and exciting period of change and growth under an enhanced Board of management. A change which is likely to see RAGAS Incorporated under USA Section 501c3 financial rules and regulations, and with that a move from British legislative and banking oversight to that of the US. However, it will, indeed must continue to operate under RI policies and procedures for Rotary Action Groups.

Recently we have seen two major changes to RI policies and procedures as they affect Action Groups (Policy 42.030). These will have a positive impact on the RAGAS's finances: We can now welcome non-Rotarians as members, indeed stand for nomination to the Board; and, second we can elect to have Rotary and Rotaract Clubs as 'Club members' as well as District 'members' on an annually renewable basis. The Board has warmly welcomed these changes.

B. Review of income and expenditure for the year 2019/2020 - Operations

Operations income: Operational income streams are generated by annualised membership subscriptions and sponsorship / donations. Subscriptions are credited to the year's operation's account by drawdown from 'Subscriptions in advance' over a 20 year (Life membership), 5-year or one-year period.

On this basis, in 2019/20 some £3,026 was available for current year spending, in addition to earlier unspent funds (£11,414). This is the highest we have seen since 2012/13 and is due to significant membership receipts following the success of both the Seoul and Atlanta RI Conventions. Without a major push on membership in 2020/21 this level of subvention will almost halve.

Each year RAGAS receives modest but important contributions towards the funding of its operations either as sponsorship of materials or events or for more general application. In 2019/20 it received £178 in this regard.

Operational expenditure: As will be seen the Action Group's accounts over the year(s) our expenditure has been modest. This is mainly due to the generosity of both Directors and Officers who have personally funded or arranged funding to pay for their attendance at RI Conventions around the globe, funding events, personal travel etc. RAGAS funding has mainly been used to pay for convention hire costs, a website presence, printing and stationery. Our expenses in 2019/20 are relatively high at £595 due to new and recurring annual contacts for a Zoom licence and Constant Contact. The former has facilitated regular global communication around the globe on RAGAS business. The later has facilitated the transmission of email-based Newsletters.



Residual funds available at 30th June 2020: Any excess of income over expenses is added to and carried forward in the accounts as the 'Ragas operations balance'. The excess of income over expenditure in the year was £2,593. The unspent balance is £14,008.

C. Project income and expenditure

Rotary Action Groups now have more freedom, subject to certain limits, to facilitate fund-raising in support of relevant projects in support of Clubs and Districts. Hitherto they and RAGAS's remit had to be focussed on promoting and supporting Club and District project initiatives and not soliciting funds directly. This made good sense as Clubs, when supporting the Rotary Foundation (TRF) Global grant supported projects, were able to attract a 50% uplift on their contributions to a project.

Over the years RAGAS has received donor funds, as 'passthrough' monies, which have in the main been paid over to a project host or International partner Club. In several cases however RAGAS has received unsolicited funds from individuals, clubs, and schools around the world. These have either been received as project specific, or general funds for allocation by the RAGAS Board.

During the year, RAGAS received £3,213 in project donations. Of this \$488 (£427) was received as a generous personal 'passthrough' funding donation. It has been paid to the RC of Norwich St. Edmunds (D1080) as a contribution to purchase sewing machines in Mumbai, India in a project hosted by RC Mumbai Borivali East in conjunction with the NGO You can Free US.

RAGAS also received a non-specific donation of \$1,144 (£929) from a wonderful Interact Club in the USA. Regrettably, the donor has not identified the Club by name. A further donation has been made by my Club of Stevenage Grange (D1260) of £1,857: This was held in trust by Stevenage Grange pending an overseas Club project proposed for Nepal. This donation is to be applied now by RAGAS in that regard.

At the year end, the Action Group has £12,490 available to support projects. Of this sum, £3,555 is held for project specific support and £8,935 may be determined by the Board going forward.

On behalf of the RAGAS Board I would like to record its thanks to those who have generously donated in support of RAGAS facilitated or promoted projects, or for just simply donating to help make a difference. The following have kindly donated over the years.

Schools: Arcata High School Interact and Eureka City Schools in the USA, Sacred Herts School, Swaffham UK

Rotary Clubs (UK): Norwich St Edmund (D1080), Stevenage Grange (D1260), Grantham (D1070), Accrington (D1190), Chelmsford Mildmay (D1240), March (D1080), Edgware and Stanmore (D1040), St. Leonards-on-sea (D1120), ...



Burnham on Crouch & Dengie Hundred (D1240), Peterborough (D1070), Littleport (D1080), Swaffham (D1080), Manningtree (D1240)

Rotary Clubs (elsewhere)

West Perth (D9455) Australia,

Many other Clubs and Districts have promoted and sponsored ground-breaking projects around the world. These are covered in Chairman Dave McCleary's report.

D. Other funds available to RAGAS not included in the accounts

RAGAS have a Rotary Foundation (TRF) Donor Advised Fund (DAF) entitled Ending Slavery Now #566. It was created in 2016 largely by an initial contribution by RC Luton North D1260 (UK) of some \$10k. Subsequent contributions have been made by End Human Trafficking Now Inc, Rotary Club of Panama City Beach Inc., The COMMONWEALTH CARES FUND INC.

Located in the USA, donations to the TRF DAF allows tax-efficient giving by US registered corporations and individuals. Funds are applied by TRF on request by RAGAS nominees towards Rotary Global Grant projects (providing the nomination was submitted prior to project approval), and qualifying entities with US Section 501c3 tax status.

The balance on the fund at 30th June 2020 is \$13,282 (June 2019 \$13,008)

E. Accounting for non-UK transactions:

RAGAS hold funds in GB£, US and AUD\$. Others can be added. The value of funds held are adjusted by reference to the average mid-commercial exchange rate on the 30th of June each year. Variations in FX value are adjusted via the RAGAS sponsorship account.

F. Independent examination of the accounts

RI Code of Policies (42.030.9) require *"Action Groups with annual gross receipts or expenditures of more than US\$25,000 or equivalent are required to provide an annual financial statement and report that has been independently reviewed by a qualified accountant or by an action group audit committee, as may be decided by the membership."*

The accounts for the year 2019/20, and the balance sheet at 30th June 2020 are attached. It will be seen that the value of annual transactions this year (and previously) does not exceed \$25,000. Whilst not requiring independent examination under RI Policy 42.030.9, the accounts have been independently examined each year.

My thanks therefore to both the late Mr Ray Turner FCA (Rotary Club of Stevenage Grange D1260) and Mr Nigel Wordingham FCA ret'd (Rotary Club of Norwich St. Edmund, D1080) for their unstinting service in this regard.

Stephen Sypula, Cipfa (Ret'd),
Honorary Treasurer, July 2020

Accounts for the year ended 30th June 2020



**Rotary Action
Group Against
Slavery**



The Rotary Action Group Against Slavery - Accounts 2019/2020

Annex 1

RAGAS Income & Expenditure Account

For the year ended 30th June

2018/19	Income	2019/20
	Membership subscriptions¹	
406	Life	406
2,236	Charter	2,470
153	Annual	130
11	Rotaractors etc	21
		3,026
	Contributions & Donations	
719	Project income	3,213
492	RACS Sponsorship	32
29	RACS running costs	146
		3,392
	Total income	6,418
	Expenditure	
	Project Expenditure	
-100	M/nibus Mumbai / You Can Free us	-427
		-427
	Finance charges	
-100	Application of sponsored expenses	0
-214	Paypal	-69
-45	less Bank interest	53
48		-16
	Operating costs	
-29	Printing - Leaflets-Newsletter	-329
0	RI Convention costs	0
-158	Web licences etc. & Zoom fees	-266
-£499	Net Expenditure	-595
	Net Income for the year	£5,380
	Allocation of net income:	
619	Project funding	2,786
2,927	RAGAS Operational balance	2,593
£3,546		£5,380

RAGAS Balance Sheet

As at 30th June

2018/19	Assets	2019/20
	Current assets	
406	Bank	4,057
28,657	Current Deposit	28,283
2,427	Paypal (inc \$ deposits) ²	3,800
31,490		36,140
0	Debtors	0
31,490		36,140
	Current liabilities	
-53	Creditors	-382
£31,437	Net assets	£35,758
	Represented by	
9,704	Project funds to be allocated ³	12,490
10,319	RAGAS operations - Subscriptions in advance ¹	9,260
	RAGAS operations balance b/f ⁴	11,414
11,414	RAGAS operations balance c/f ⁴	2,593
£31,437		£35,758

Notes to the accounts:

- Life & Charter subscriptions are written down over 20 and 5 years respectively. At 30th June 2020 RAGAS has 100 Life Members, 233 Charter Members and 7 annual Members.
- Includes Funds to be applied, received from donors in \$US of \$4,190 (£3,405) and Australia \$AUD 48 (£26.73)
- Held on behalf of the projects for Maiti Nepal £2,685, other specified projects (£870) and general project funds of £8,935.
- The balance includes unspent sponsorship and general donations amounting to £5,245. 2018/19 was £5,067

A Rotary Foundation DAF (Ending Slavery Now) was created in 2016 with an initial contribution by RC Luton North D1260 of some \$10k. The fund balance on TRF DAF No. 566 is \$13,386.19 (June 2019 \$13,008)



**Rotary Action
Group Against
Slavery**



Stephen Sypula, Cipfa (Retired)
RAGAS Honorary Treasurer
July 2020

Rotary Action Groups are neither an agency of, nor controlled by, Rotary International