

Treasurer Report AGM 2023

Bank accounts:

Current Account balance 31/03/2023 £ 9,946.78

Reserve Account Balance 31/03/2023 £73,376.02 (IOP Refinement £46,605)

LOCSU have advised that we keep some money for emergencies, also there is £46,605 which must be kept for Glaucoma related projects which means our expenses are almost as much as our income at present.

PAYE

Over the past two years LOCSU has sought advice from HMRC and independent tax advisors over LOCs payments to office holders and committee members. After examining the HMRC rules LOCSU have confirmed that LOCs should pay Office holders net by deducting PAYE at source. The payments to other committee members is a “grey” area under HMRC rules, however the tax advisors recommendation and low risk approach is that all committee members are treated equivalent to office holders and have PAYE deducted at source.

PAYE is deducted on time for meetings, administration, honorariums etc. but it does not need to be deducted from expenses eg travel, parking etc. This means expenses can be paid directly.

Loscu have also decided to set up a central payroll system for all LOCs which will be free. Bruce and I have agreed that using LOSCU’s payroll system would be the most sensible way forward.

Loscu are using Locumkit to run PAYE for LOCs. The Locumkit team comprise of accounting and optometric professionals. Mohammad Chaudhry is both a chartered accountant and optometrist and he is also the treasurer for Ealing and Hounslow LOC. I think we are very fortunate to have Locumkit aiding us because they have inside knowledge in our work.

In future to be able to pay expense claims I need the following information, Name and Address, Date of Birth, NI number. Without this information I will not be able to process the claims.

The PAYE cycle

All claims sent to me by 5th day of month, I email summary sheet to Locumkit by 7th day of the month, Payslips prepared and shared with me by 14th day of the month, review and corrections by 20th day of the month, Submission of payroll data to HMRC and payment to office holders by 25th of the month. Payment to HMRC by 19th of following month.

I don't think there will be any payments in April on the new system as it is taking time to set up but hopefully everything will be up and running by May.

Levy

The levy is still 1.25% and has been at this level for many years. The amount we have been receiving this last year is slightly lower than previous years despite the small increase in sight test fees in April 2022(excluding 2020-2021). I am not sure for the reason for this and have not had the opportunity to enquire if other LOCs have been affected however it is something that I intend to raise at our next treasurer meeting. Hopefully this is because fewer people were seen during Covid so the recall numbers are slightly lower but hopefully this will recover over the next few years.

Fees

LOCSU did a survey of LOC's fees about a year ago and our fees are just slightly below the average paid however they are not the lowest. It has been several years since we have changed our fees so Bruce suggested that we increase the fees to £45.00 per hour. Over the last few years we have been spending most of our income so in theory we cannot afford this increase however we do have some surplus cash which will allow this increase for a few years assuming all our other expenses stay stable. If our income does not improve then we would either need to reduce the fee, reduce our hours or increase the Levy, however I am happy to allow this increase on the understanding that it may need to be reviewed and adjusted in the future. This increase will be from 1st April 2023.

The secretary fees have always been linked to the sight test fees. As there was an increase in the sight test fees, the secretary fees have increased to £35.85 per hour.

Accountants

Ashby's has been taken over by Johnsons now and it is not so easy for me to use them. I have asked another accountant called Numbers in Wendover to look at our accounts for us.

Expenses

Please can I remind everyone to submit their claim forms within three months. I have never refused a claim but it does take me longer to process old claims. Also, it makes it more difficult to compare our expenses to previous years if I am paying for claims in a different financial year. All claims received by 5th day of the month will hopefully be paid by the 25th day of the month. Any later claims will be paid on 25th day of the following month.

I propose that:

1 The statutory levy remains 1.25%

2 The LOC committee has the ability to increase or reduce the levy by up to 0.5%.

3 The LOC continues to support LOCSU. Without their support we would have to sort out our own PAYE system.

4 Numbers review the accounts.

Alison