

# Accountancy Meeting 10.10.22

## Meeting Minutes:

### 1. Introductions:

Julian Manley is a founding member of the Preston Cooperative Education Centre and an academic in the University of Central Lancashire.

Mick Mckeown is a founding member of the Preston Cooperative Education, works at UCLan and is a mental health nurse by background. He is active in trade unions.

Alina Belousova works for PCEC as a support assistant twice a week on administrative tasks, social media, website, etc.

Brian Titley works at Co-operative Assistance Network Limited co-op that started in 1989. They started as a mobile cooperative development agency, helping co-ops when there was an additional work that had to be done or particular expertise they needed.

They have a two-fold mission: looking outside and looking inside. The former is assisting in development of co-ops and social enterprises, and the latter is being a good example of a worker co-op (learn from experience and teach other people).

Accounting work is something that they do quite a lot, as well as helping to develop and train co-op start ups and troubleshooting.

One of the big services that they provide is finance, year end accounts, setting up bookkeeping systems, financial projections, etc.

### 2. About PCEC

PCEC is a union cooperative that aims to be part of Preston Model - Community Wealth Building strategy, and work closely with unions and trade unions.

It builds on the original idea of the Mondragon cooperatives that began with education for about 12-13 years before they even started their first co-op.

The idea is that we need to support people in understanding what cooperatives are and change the mindset and culture behind what people do to start a business, as people generally don't know what co-op are and what they are for.

They want to educate, facilitate and support the development of cooperative ways of working and be a properly governed co-op themselves.

Although PCEC would like to see more cooperative businesses in Preston, they're even more interested in developing a cooperative mindset in people than anything else.

They are also interested in social pedagogy: co-creating education with students, building up an interchange with students, that enables a deeper understanding of the cooperative principles and values, as opposed to just giving them a list of bullet points.

PCEC would like to revitalise matters of political education for unions, especially as they relate to the rich history of union and cooperation, movement alliances.

### **3. Needs of PCEC**

PCEC is interested in all of that. We hope in the future a bit of money will start coming in from donations, subscriptions, fees for courses and grant money.

None of us have any experience with accounting and so we need any advice and support that we can get.

Andy is worried about end of year accounts we need to submit to FCA.

Help with keeping the records.

### **4. What has to be done**

Brian looked at the Company's House records and found that PCEC Limited is a society. Then we looked at the Mutuels Public Register and found that it was registered on 24th May 2021.

Annual return for the Mutuels Register is due on 31st October 2022 - comprises the accounts, a form to inform about members and how you are being a cooperative enterprise.

We need to tell them if a new director joins, or an old one leaves, or if we need to change our registered office.

This deadline is urgent, but nothing is going to happen if we miss it. There's too much to do and they don't impose fines. We can try and meet that deadline anyway, because we don't have much expenditure and had just a couple of grants.

We've only have about 3 transactions (returned money to Julian for the website, paid Alina, etc.)

We could probably get it to them by the end of the calendar year.

#### Corporation tax

We need to inform HMRC that we exist, even if we are dormant.

They always penalise if people don't declare their taxes on time.

There are two sides of corporation tax: one is paying them and another is giving them a return.

The deadline to pay them is 31st December 2022 for the year ending 31st March 22.

The deadline to tell them how much we owe them is 31 March 2023.

To calculate what we owe:

turnover - tax deduct expenses = profit (19% of profit goes to HMRC)

Non-tax deductible expenses would be donations to non-charities, entertaining people, etc.

Brian uses TaxCalc software to submit a set of accounts. It has an add-on to excel to produce the spreadsheet that is like a tagged web browser and HMRC can lift all of that information, because it's tagged in such a way that you can send it over to them and they get the data. And they want that because they want company information.

You can submit the accounts online, but it's simpler and quicker to do it in this software.

### **5. How much it's going to cost us?**

To sort out last year's account would be £300 + VAT = £360 (year end accounts as per transactions, setting up corporation tax account and help with the finance section within the return form to FCA).

When you start trading, it will get more complicated and will cost more.

Everybody thinks it's a reasonable fee.

Once Brian will sort out last year, he will give us a spreadsheet tailored to us with all of the instructions.

Brian needs to get our registration number from HMRC letters, so that he can set himself up as our agent for the corporation tax.

We need to register with the FCA portal, so that we can do annual returns, change address, etc.

FCA portal: <http://societyportal.fca.org.uk>

Brian will send us a contract, which will state what they're going to do, terms and conditions and how much it'll cost.

#### **Next Actions:**

- Andy to take a picture or scan of any letters he has received from HMRC and send them to Brian.
- Register with the FCA portal, then set up access for the person, who will be doing returns and other things on behalf of PCEC.
- Brian will send us a contract - we only need to agree via email to 'kick things off'.