THE GOVERNING COUNCIL OF THE CAT FANCY

Minutes of the meeting of the FINANCE COMMITTEE
held on Wednesday, 20 November 2019
at the Conway Hall, Red Lion Square, Holborn, London

PRIVATE AND CONFIDENTIAL

Present:   John Hansson (Chairman)
           Sean Farrell (Vice-Chairman)
           Maria Chapman-Beer (MCB)  Steve Crow (SC)
           Rosemary Fisher (RF)  Thomas Goss (TG)

In attendance:  Leanne Penwell - Bookkeeper (LP)
                Jen Lacey  -  Acting Committee Secretary (JL)

The meeting was opened by the Chairman at 12.05pm

FC835  MEETING INTRODUCTION

1.  Apologies received
    1.1 Shelagh Heavens had sent apologies.

2.  Chairman's opening remarks
    2.1 JH welcomed all who were able to attend, and did not make further comment

FC836  MINUTES OF THE PREVIOUS MEETING

1.  Minutes of the meeting of 18.09.2019
    These had been circulated in advance to allow corrections and amendments to be made. It was proposed by
    MCB and 2nd by SF that they were accepted, then approved with1 abstention (RF not present).

2.  Matters arising from the previous minutes not on the agenda
    2.1 FC832.2 Star Services: SC reported that as it had been agreed the service would not be ready for launch
        until June 2020 there were not yet figures to provide to this meeting on costs, as had been anticipated.
        He expected to present them in February or March.
    2.2 FC826.1.4 MCB queried the outcome of discussions  on dual insurance cover notes.  It had been confirmed
        that if breeders gave two cover notes deliberately (Agria & Pet Plan) or inadvertently (unasked for via a
        microchip company), plus Agria later there was no legal issue. It would be illegal if claims were made on
        both by the new owner.

FC837  DECLARATIONS OF INTEREST

None

FC838  FINANCE

1.  Profit and loss accounts to the end of October 2019
    1.1 The Board had received the p/l figures until the end of September. There were no specific queries on these
        or the FC minutes of September, which had been circulated, to bring forward to this meeting.
    1.2 LP had brought copies of the October p/l figures to the meeting and it was noted that it had been a satisfactory
        month. 87.5% of the gross profit (management accounts) had been achieved. This was considerably
        better than in 2018, but the previous year’s accounts had included capital spending. LP confirmed
        that a separate record of this had been kept for the end of year report to Monahans.
    1.2 The income on all areas of core business was sustained. The sale of pedigrees, import and HHP fees for
        registration were excellent, though prefixes were down slightly, income from shows had fallen and there
        was no longer income from club and delegate fees as all payments had been received.
    1.3 It was observed that although the transfer figures were good for the month they were down for the year,
        although registrations were maintained or slightly improved. The conclusion was that until there was
        a new incentive there would be no boost, and this had to be reflected in the 2020 budget.
    1.3 It was noted that with the extra deposits made from the current account the amount earned in bank interest
        showed a considerable improvement on 2018.
    1.4 The month’s expenditure showed a marked increase in HR-HS, but included the fire control measures that
        were necessary for safety and were approved by the Board in September (BD3894.1.4).
    1.5 There was a query on the software spending that had continued after Leon was no longer employed with
        the response that it was for licences. It was now shown as a separate line from the consultancy fee
        whereas it had been combined with the amount paid to Leon. It was agreed that this separation
        should be maintained and LP confirmed that this was ongoing.
    1.6 The large jump in the cost of telephone services was also noted. LP reported that there had been a change
        of provider and there were associated costs. However, there would be a recharge shown in November.
    1.7 The Lloyds current account now stood at £143,000 and LP asked the committee to consider transfer into a
        deposit account as there would be a further addition after repayment from the Supreme account. It
        was agreed to discuss this further once the figures from the Supreme show had been considered.
1.8 FC clarified with LP which figure should be shown as GCCF expenses and which were in connection solely with the Supreme Show and should be designated as such.

Action: Expenditure for each to be allocated as agreed

2. **Euro bank account update**

2.1 SH had sent a report to confirm the conversations she had had with Lloyds Bank and developments to date.

2.2 A complaint had been raised and £350 given in compensation for the lack of support and inaction. This had been received very soon after its award, but there had been no further action by Lloyds.

2.3 Forms had been promised so that access to the account could be transferred, but the Office had not received them. SH had made a second phone call on 4 November, and a third on 8/11 (before leaving for a holiday) which had promised Office contact on 11/11. LP reported that nothing had arrived and she had contacted SH so that she would know this on her return.

Action: a further call to Lloyds when possible

3. **Update on the progress of changing the card provider**

3.1 LP reported that she believed that the changeover from Paysafe to Payzone was proceeding smoothly. The work on the GCCF current account was complete and it was thought that the GCCFI account was now at the testing stage.

3.2 A statement on refunds had been prepared and was now showing on the GCCF site. It was important that the GCCFI site carried similar information, but a concern had been raised. FC agreed that they follow the GCCF wording closely and the Office should be informed if there was any adjustment.

Action: liaison with GCCFI to regularise this

3.3 It was noted that card charges would be reduced and also associated cost. Staff would be able to log-on so that no card reader machine was necessary.

4. **Bank card recharges to clubs**

4.1 LP had examined the additional costs made to GCCF by Paysafe in connection with transaction charges for card use in connection with STAR services over a twelve month period, as requested by FC (FC832.2.4 & 2.5). It had been agreed by FC in 2018 that there should be no profit made in the recharge to clubs, but costs should be recoverable in their entirety (FC789.4.5).

4.2 The baseline was 2.4% + 20p on each exhibitor transaction, but Paysafe levied a complex series of charges in addition that varied according to the type of card used. The excess ranged from a total of 3.31% per transaction to 6.67%. There were more at a lower rate than higher, and LP had calculated the overall average was 4%. The figures and calculation had been circulated to FC in advance of the meeting.

4.3 There was discussion on two points:
   a) whether it was fair to make the rate the same for all clubs as some could have more of the lower charge users than others. The conclusion was it had to be the same for all otherwise there would need to be a separate calculation each time and this would add considerably to the administrative time required. All clubs had users at lower and higher rates so the variation between each would be slight.
   b) if recouping costs equated to charging for card use. It was agreed it did not as this was an additional fee levied for a transaction by credit card which made the price of the service higher for the card user. The cost of entry to shows for STAR exhibitors was the same. There was no variance dependent on the method of payment (now illegal).

Action: the findings and conclusions to be reported to the Board

4.4 The good news was that the recharge would be considerably reduced from 4% once the transfer to Payzone was complete.

4.5 LP was thanked for all the work she had put into resolving the issue of card charges. It was much appreciated.

5. **Reports on the investment account and transfer of funds**

5.1 The Aldermore (fixed term account, due to mature on 18.3.2020) had a balance of £75,298.32. Interest was currently 1.83% yielding £113 per month.

5.2 Cambridge & Counties (95 day notice account) had a balance of £76,814.03. Interest was currently 1.74%, yielding £112 per month.

5.3 It was noted that card charges would be reduced and also associated cost. Staff would be able to log-on so that no card reader machine was necessary.

6. **Insurance provision for 2019 & 2020**

6.1 RF reported that there had been no replies from companies she had made contact with by phone (NFU & Hiscox).

6.2 Therefore her plan was to make appointments to visit insurance brokers in Bridgwater with the schedule and ask advice.

6.3 It was known that previous OM had done a good deal of research to get value for money, but considered this should be checked. The schedule was lengthy and complex. There was no certainty that all the cover provided was necessary going forward.

Action: contact with Bridgewater insurance offices

7. **Comparison on prices with other registries**

7.1 Some comparisons had last been made in 2010-11 with the UK Fife Club, TICA, CFA and KC on prefix, registration and transfer prices, together with any associated costs.

7.2 LP had not yet had time to do more than locate the registry websites, but JL had taken a quick look at TICA and CFA. Their pricing structure was similar, as these were both USA based registries, but not easily comparable with GCCF on a like to like basis. Those using them had various options dependent on whether they were members (TICA) and regular users.

7.3 An additional unknown was the amount of administrative work that would be involved, particularly for a comparison on the associated costs of an import. The pedigrees of cats imported onto the GCCF register had to checked for compliance with a BAC’s registration policy.
1. **Presentation of the forecast budget for the management accounts in 2020 - income**
   1.1 This had been prepared by the OM and LP based on the known income and expenditure for 2019, considering where increases could be sustained and savings were expected to be made.
   1.2 It wasn’t expected that core income would vary much. The estimated amount for transfers was lower because it was clear the small offer no longer provided the previous incentive. However, the sale of pedigrees, prefixes and HHP registrations had increased slightly.
   1.3 Larger increases were input for printing (as procedures for invoicing correctly had brought higher returns), interest rates (as more was in the deposit accounts) and GCCFI (as money earned could now be properly determined and recorded as such).
   1.4 Reductions had been made where less income had been received in 2018, most notably to the amount received from Agria.
   1.5 FC agreed most of the variance except in respect of:
      - Agria (as there is to be an incentive only 50% of the decrease (£5000) was retained
      - Imports (as there was unlikely to be an impact due to Brexit in 2020)
   1.6 Overall this brought an anticipated income reduction of £1350.

2. **Presentation of the forecast budget for the management accounts in 2020 - expenditure**
   2.1 An estimated £13221 had been saved in reduced expenditure on the management accounts, although this would be reduced as FC recommended there should be an allowance for contingency. It was thought this could be necessary for additional staff costs.
   2.2 An addition of almost £25,000 had been included for salaries (including NI) which covered the agreed rises in both salaries and pensions. There was also provision for a PT business systems analyst to cover an identified need.
   2.3 It was estimated that considerable savings would be made on bank charges with the change from Paysafe to Payzone, and a full time computer consultant was no longer employed as the case in the first part of 2019. The office refurbishment had been completed and there would be savings on licence renewals and contracts that gave better value for money. (It was noted that the address machine contract had been cancelled bringing a £2000 refund).
   2.4 Overall there was an estimated operational profit of £96,090.50 (to be reduced by the contingency figure), which was an increase on that for 2018.
   2.5 FC noted that a figure for the 2020 Supreme, the amount capital expenditure brought forward, and one third of any new capital spending (identified and recorded separately) would need to be included as in the 2019 estimates.
   2.6 The OM and LP were commended for their work. The budget would be recommended to the Board (with the agreed changes) in January for inclusion in the 2020 Business Plan.

   **Actions:** FC amendments to be included
   - circulation to the Board with the January meeting agenda

   **Action:** to be noted for future FC September agendas

3. **IT planning for 2020 - development & maintenance and staffing requirements**
   3.1 SC reported that the difference between employing a FT programmer supported by two volunteers with particular expertise, to one part time with some voluntary assistance was now noticeable. There was no major development, but the testing required was either beyond the skills of the office staff and/or took a considerable amount of time when most of their hours were for their CSA roles.
   3.2 Ian was now struggling to complete the work that he needed to do, and testing for the next release of updates scheduled was not yet complete. The planned registration policy review was currently on hold.
   3.3 The IT Group had identified the need for a part time business systems analyst, to cover the work Mrs Turner-Russell was doing on a voluntary basis alongside her paid employment. This would add around £10,500 of new staff costs.
   3.4 FC agreed unanimously this should be discussed with the Board and explored further with a possible candidate for the role.
   3.5 It was also decided that Mrs Turner-Russell should be paid £500 for the holiday she had taken from her paid employment in order to spend time on GCCF testing, (Board agreement in principle BD3892.1.2).

   **Action:** payment to CT-R

4. **GCCF’s business partners**
   4.1 It was agreed by those who had been present (JH,SF,RF) that the meeting with Agria at their HQ had been positive and constructive. Statements made at Council had caused a problem because of the business risk Agria had identified to its business, but there was as yet no indication that would be giving up on GCCF in the near future.
   4.2 It was a GCCF responsibility to promote the partnership and the 5 week cover notes at every available opportunity. It was important to establish with GCCF breeders that:
      - They cost nothing to provide
      - They covered a kitten for a longer period than any other cover note
      - They did not have to be the sole cover note issued
      - They kept price increases at a minimum, enabled promotion (via the Supreme) and continued development.
      - There was considerable scope for growth
4.3 Questions had been prepared by Agria for a survey. It was agreed that other questions could be added to them if any Board or FC member had anything to suggest, and that the data would be shared between the partners. Therefore it was a joint survey.

**Action:** a renewal of the ‘survey monkey’ licence  
OM

4.4 It was known that Royal Canin had a successful Supreme (gift bags sold out), but there had been no recent meeting for any future plans.

**INFO**

**FC840 GCCFI**

1. GCCF core business transactions
   1.1 LP had now identified the processes involved and calculated the benefits to GCCF. This was 30% of the overall transaction takings, plus a further 4% on card transactions to cover the cost of these.
   1.2 The 2019 year to date total income was £4805.12 and an amount based on this was in the 2020 budget.

**INFO**

2. Provision of core business transactions for GCCFI
   2.1 It was thought that as it was established there was an ongoing income it became less necessary to insist on a contract with a large indemnity figure as GCCF costs would be recovered slowly.
   2.2 It was thought sensible to ask what the GCCFI officers thought acceptable, with the initial amount as stated by SF previously as a starting point, but with consideration of their limited reserves.
   2.3 MCB proposed an operating agreement rather than full contract as this would establish what each party should expect from the other. She offered to draft the relevant bullet points for the OM and LP to enhance by detailing the procedures that were established.
   2.4. FC unanimously agreed this course of action.

**Actions:** bullet points to be sent drafted and circulated  
MCB

**IF0**

**FC841 STAFF & OFFICE**

1. Confidential report from the OM
   1.1 There were assessments on staff from the OM for a discussion on bonuses.
   1.2 Figures were proposed in line with her recommendations and an amount was added to reward the OM as her efforts throughout the year were much appreciated.
   1.3 It was agreed that the newest member of staff should be paid at the same base rate as others at the end of her probationary period (as would be determined by the OM).

**Action:** the recommendations to be circulated to the Board for confirmation  
JH

1.4 It was agreed that the OM should be asked to produce for the Board a staff analysis of how staff used their time. It could be discussed at the February HR meeting and presented to the Board at the March meeting. It was believed necessary as several Board members could not visit the office regularly and could not know whether staff were fully occupied or had scope to take on additional tasks.
   1.5 This would also be useful to determine when/whether an additional staff member was necessary and for what roles (the budgeted contingency allowance).
   1.6 A risk assessment with costs for the loss & replacement of key volunteers (Marcia & Jen) was also important.

**Action:** Staff analysis for HR  
OM

2. Equipment purchase and redecoration/refurbishment update
   2.1 The agreed H & S work for fire safety was completed.

**INFO**

**FC842 GCCF EVENTS AND MARKETING**

1. Supreme Event 2019
   1.1 LP presented a p/l sheet to show the transactions and the balance for the Supreme to date. She confirmed that the figures were net of VAT. Income and expenditure were both down on 2018 levels, but it was probable that there still monies/invoices to be received and some payments were identified as not relevant to the show account but to GCCF (show stand & retail vouchers).
   1.2 As a rough approximation the cost of the Supreme to GCCF would be around £25,000 which was slightly below the final costs attributed by Monahans in 2018 and within the budget figure of £30,000.
   1.3 It observed that the show was the GCCF advertising and promotion, with the cost being about 8% of the annual expenditure, roughly the same as total meeting costs.

**Action:** circulation to the Board once identified adjustments made and the Pebble invoice included  
JL

1.4 Once there was an estimate of the total cost of the Supreme there was discussion on the amount to transfer from the current to the deposit account (Cambridge & Counties.) It was unanimously agreed that this should be £60,000.

**Action:** bank transfer  
LP

2. Proposals from the National Pet Show (Fitz All Media)
   2.1 The date of the NPS wasn’t known for certain as mid-week dates had been given, but it was thought to be 7 & 8 November and concluded that this would conflict with the existing show calendar for 2020.
   2.2 It was thought it could be possible to work something out in conjunction with the WCC, but there would have to be a careful assessment of terms.

**Action:** ongoing discussion with outcome to be reported  
JH

2.3 It was reported that there were two TV companies (National & Capital) interested in filming exhibitors from their initial preparations to their attendance at the show. It was also observed that there had been two pages of photographs of the 2019 show in the Sunday Observer.

**INFO**
3 World Cat Congress
3.1 MCB proposed, 2nd by TG, that the monthly saving for this event should be raised to £1000. This was unanimously agreed.
Action: monthly bank transfers

FC843 CLUB & BAC MATTERS

1. Club and BAC 2018 returns report
   1.1 SH had sent a report that stated returns had been received from all clubs except the West of Scotland.
   The Scottish CC had complied and queries were resolved, but as yet they had no money or show account on the show held jointly with the West of Scotland in January 2019.

2. 2019 returns planning
   2.1 SH was happy to monitor the 2019 club returns but would prefer to be able to access online information to see what was coming in and club contacts.
   2.2 She had also suggested the delegate’s name should be stated on the club return form as well as the information supplied by the club secretary.

Action: liaison with IM on access

ANY OTHER BUSINESS

None taken.

NEXT MEETING: 5 February 2020 in the Artists’ Room of the Conway Hall, Holborn, London at noon.

End of Agenda, with business completed where possible, at 3.55 pm

Signed ................................................. Date .................................
Chairman