THE GOVERNING COUNCIL OF THE CAT FANCY

Minutes of the meeting of the FINANCE COMMITTEE
held on Wednesday, 5 February 2020
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)
Shelagh Heavens (SH)

In attendance:

Denise Williams - Office Manager (OM)
Leanne Penwell - Bookkeeper (LP)
Jen Lacey - Acting Committee Secretary (JL)

The meeting was opened by the Chairman shortly after midday.

FC844 MEETING INTRODUCTION

1. Apologies received
   1.1 All members of the committee were present.

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

FC845 MINUTES OF THE PREVIOUS MEETING

1. Minutes of the meeting of 20.11.2019
   These had been circulated in advance to allow corrections and amendments to be made. JL drew attention to an additional correction at FC839.2.7. There was no plan for price increases.
   It was proposed by MCB and 2nd by SF that they were accepted, then approved with 1 abstention (SH not present).

2. Matters arising from the previous minutes not on the agenda
   2.1 FC840.2 MCB apologised for not sending bullet point suggestions for an operation agreement between GCCF and GCCFI. The OM thanks her for her intention, but informed FC that discussions on an agreement with GCCFI had been ongoing and a draft document had been exchanged, therefore an additional contribution was not necessary act this time.

FC846 DECLARATIONS OF INTEREST

None

INFO

FC847 FINANCE

1. Profit and loss accounts for November & December 2019
   1.1 LP presented the p/l figures for November and December.
   1.2 The income from core business was not as strong in November as in 2018, partly because there was reduced income from Aria to the general accounts as a payment had been made to the Supreme.
   However, reduced expenditure for the same period had produced an increase of just over £3.5k in gross profit for the month.
   1.3 It was noted that refunds had been made: £320 from the Survey Monkey contract and £2071.94 from the cancellation of the label printing machine maintenance contracts.
   1.4 There had been an exceptionally strong end to the year in December, with total income up by from £30.5k to almost £51k. There had been almost double the income from registrations and that for transfers was also up. This improvement in core business was responsible for the increase.
   1.5 Expenditure was higher than in November, but less than that at the same time for the previous year. There had been a deficit for December in 2018, but this year the month had a surplus of £18,225.28.
   1.6 This strong finish to the year had increased the gross operating profit for 2019 to £97,398.84. It was almost double that recorded for the previous year, but 2018’s figures contained capital expenditure (for computer system development), subsequently removed, so it was not a like for like.
   1.7 FC members had no queries on the figures but it was suggested that the lines should be numbered in future to make reference easier.

Action: line numbers on the p/l sheet for presentation

LP

1.8 The transactional graphs produced by the OM showed the same pattern of business for 2019 as in the two previous years, with less of a fall at the year end.
1.9 It was noted that the numbers for all registration areas were improved with the total (21,400) greater than in 2017 and 2018. However, once again the number of transfers had declined and it was noted that an incentive for new owners to transfer was required.
1.10 The OM commented that she had checked at the end of January and reported that registration numbers continued to improve. The month’s total (1656) was better than in the three previous years.

INFO

FINANCE COMMITTEE
5.2.20
2. Matters arising from the January 2020 Board meeting

2.1 Phone payments: LP had checked that the recent change in the law concerned companies that were recording their phone payments. The recorder had to be switched off when the customer gave the card details which were entered directly.

2.2 GCCF did not make recordings and Payzone had confirmed that payments were being taken correctly and GCCF was fully compliant and covered legally for the next 12 months.

2.3 An IoD credit report: This had been requested at the meeting as it was a free check on the company’s credit rating. There was some discussion on the purpose, with concern expressed that as GCCF was not a standard commercial company it would not do well in an assessment that was tailored for typical circumstances.

2.4 It was agreed that JH should investigate and ascertain whether what was at no cost would be suitable, and, if not, the price of a specialised assessment. He would then be able to pass this information back to the Board to allow an informed decision to be made.

Action: request information from the IoD

JH

2.5 Repayment to Yorkshire CC for show losses through use of STAR: LK confirmed a repayment of £271.50, as requested by the YCC Treasurer. This had arisen because paperwork had not arrived in time, and the system had allocated discounts inappropriately.

Action: monitoring for future investment accounts

RF

3. Euro account update

3.1 LP reported this was now fully functional. She could see the transactions and had recently made her first transaction to GCCFI in Euros. This had saved the conversion rate and transaction fees which had been the main reason for GCCF to have the account.

3.2 It was noted that there were 8000€ in the account. FC asked that LP make transfers to the general account occasionally, choosing times when the € was strong against the £.

INFO

4. GCCFI transactions report and operating agreement update

4.1 LP presented a transaction report which gave the figures for GCCFI registration receipts and payments throughout 2019. The total amount earned by GCCF was £5553.58.

4.2 The income was derived from GCCF taking 30% of all registration & transfer transactions. GCCFI paid the online card charges and fees which were deducted from the payments sent to them. It was considered a beneficial arrangement for both organisations and was operating smoothly.

4.3 The operating agreement, as drafted by the OM, had been sent to GCCFI and had been returned with four points for clarification. The OM did not believe there would be any problem satisfying their concerns.

4.4 The document had been sent to the GCCF’s solicitor, as the Board had wished, and it was reported that she had raised several issues. It was noted that she considered a full contract preferable, but to reduce what was considered a very limited risk.

4.5 It was agreed that there should be discussion to resolve the points raised by Ms Coates and then a meeting with her to sort out any remaining difficulties.

Action: further work on the agreement and a meeting with the solicitor

JH/OM

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 £75,646.17. Interest was currently 1.83%. It was agreed that as maturity approached checks would be made on similar accounts to assess whether the account should be rolled over or transferred. If the interest rate remained at approximately the same rate the Aldermore would be competitive.

5.2 Cambridge & Counties had a balance of £139,638.61. £60,000 had been transferred from the current account on 31.1.20. The interest rate was currently 1.74%, but would reduce to 1.5% in March.

5.3. It was thought that Investec should be considered, possibly as a third investment account as the existing similar accounts were now on the limit of what would be repaid by the government if a UK bank or investment company failed.

5.4 LP reported that £125,244.09 remained in the Lloyds current account.

Action: further work on the agreement and a meeting with the solicitor

JH/OM

6. Card processing provider report

6.1 Payzone was working well within the Office. The staff found it easier to take transactions over the phone, and LP reported it was very easy to check the payments and fees.

6.2 Ian Macro was at the testing stage for online use. He had hoped to have this completed by 31 January, but it wasn’t yet ready. Once it was installed for use online there would be a considerable saving made.

INFO

7. Insurance provision for 2020

7.1 RF reported she had no further information from the Bridgwater companies she had contacted, so had asked two insurance companies local to her if they would be interested in supplying a quote.

7.2 They would do so, but in the 28 days prior to policy renewal (April) as there could be considerable variance.

7.3 It was agreed by FC that RF should obtain quotes and report them to the next FC meeting on 18 March.

Action: insurance quotes to be sought

RF

8. Cost of a complaint to IC (for judges and BACs), and the cost of use for the arbitration service

8.1 At present a judge with a complaint against a BAC, for not following the rules and procedures of the Judge Appointment Scheme in respect of their training, had to pay £175 for consideration of their complaint. (This is the standard cost for any complaint that does not relate to cat welfare or assistance with obtaining paperwork in connection with registration).
8.2 It was acknowledged this was to deter frivolous complaints and the fee could be refunded as costs if the case was found proven by DC. However, some cases did not go to DC, but were withdrawn (if the BAC complied before a hearing) or were directed to the GCCF Committee of Judges. Neither IC, nor the Panel of Judges had authority via the ByeLaws to make financial directives.

8.3 A recent case had been considered by the Board and a full repayment had been made to the judge following recommendations from the Panel.

8.4 The issues were discussed thoroughly, but there were no changes decided. It was agreed to wait until the Judge Training Review Group had discussed arbitration and appeal in connection with the ‘Accelerated Scheme’ and consider what recommendations were made to the Board in connection with that.

8.5 After discussion it was agreed by vote (5-1) that the administration fee to be recommended to the Board for use of the arbitration service should be £75. £100 was also proposed, and it was felt that if this case prompted others (several of which were frivolous) then the fee should be increased as a deterrent.

8.6 It was thought that AC would deal with cases electronically, but acknowledged that if a case was complex it had the same right to meet as other GCCF committees, at GCCF expense.

Action: recommendation to be put to the Board

FC848 END OF YEAR

1. Preparation for the end of year management accounts

   1.1 LP presented a draft of the end of year figures. The p/l statement was a combination of the management and the Supreme accounts. This showed a net income total after expenses adjustments of £79,470. There were no questions.

   1.2 There was a query on the balance sheet presentation for line 2302 which stated ‘a loan from GCCF’. It was confirmed that this did not relate to the club loans, which had either been refunded to the clubs or donated to GCCF. There was nothing outstanding.

   Action: a check to be made on this for a report back to FC members

   1.3 FC were unanimous in thanking Denise (OM) and Leanne (bookkeeper) for their work with the finances in 2019. LP kept careful records and actively brought about changes that saved on costs. The OM had also looked for where savings could be made, and discontinued unnecessary services.

   INFO

2. Capital spending in 2019

   2.1 LP reported she had been advised by Monahans that £10,000 remained of the capital costs brought forward from earlier years to cover major expenditure on the development of the computer system. Once this was paid this expenditure was finalised and would be phased out.

   2.2 There had been capital expenditure in 2019 of £14116.16, covering security enhancement, a photocopier and computer hardware. If split it would be £4705.39 per year, but as tangible assets were included within set amounts for depreciation in the p/l account Monahans had advised both were unnecessary.

   2.3 FC were pleased that major expenditure on computer development was completed, and satisfied with the advice from Monahans re depreciation within the p/l account.

   INFO

3. The Supreme Accounts for 2019 and VAT liability in connection with these

   3.1 The Supreme accounts had been to the Board and sent to delegates with the agenda for the February Council meeting in a summary form which gave a comparison with 2018.

   3.2 It was queried if some of the gaps (because of items merged) could be filled in for 2018 so there was a more complete like for like profile and LP confirmed that she could do this.

   3.3 There had been some discussion on the invoice from Richardson after the Board meeting as it included COTY expenses which were not chargeable to the Supreme. LP had removed the total from the Supreme expenditure and added it to the general account (October). It was observed that most of this would have been for the Supreme Show rosettes. The invoice needed to be split and £3,183.02 returned to the Supreme account.

   3.4 It was noted the Agria payment from the commission earned had been for rosettes. The invoice needed to be split and £3,183.02 returned to the Supreme account.

   3.5 It was agreed that LP would look for where savings could be made, and discontinued unnecessary services.

   Actions: adjustments to the account to finalise it & check to be made re VAT circulation of the revised accounts with the Council Supplementary agenda

4. Arrangements with Monahans for the examination of the 2019 accounts

   4.1 LP reported that Monahans would be checking the GCCF accounts 2nd-6th March. She did not expect problems, or variance in the way things were done, as it would be the same team this year as the one that had conducted the audit the previous year.

   4.2 She confirmed that this year it would not be a full audit, but an examination of the accounts. This was as FC had expected.

   INFO

FC849 STAFF & OFFICE

1. Update on staff

   1.1 The OM thanked for FC for the staff bonus amounts. The bonuses had been paid.

   1.2 Two new members of staff would shortly be taking up posts offered, Caroline Turner-Russell (business systems analyst) on 17.2.20 and Abigail Gough (CSA) on 24.2.20. The OM was aware that a staff member planned to leave at around the end of the month, but there were personal circumstances that meant her decision was not yet final. If she did resign, another interviewee was still available for consideration.
2. **Office maintenance & repair report**
   2.1 There were three further refurbishments for fire safety made/planned:
   - External fire doors on 3.2.2020 at £469 + VAT
   - Internal fire doors - later in the month at £1748 + VAT
   - The fitting of fire resistant boarding under the stairs - later in the month at £527 + VAT

3. **IT & STAR provision in 2020**
   3.1 SC stated that he hoped STAR could be offered as a service from 1.6.20 as planned. Preparing for this would be one of two main projects given to CT-R once she could dedicate time to GCCF as an employee. The manual had been completed.
   3.2 It was expected that there would be three levels of service: basic, pick & mix, and all-inclusive with prices to include materials, costs and staff time. SH proposed that there should be a 20% (per cat) charge for the service and this was unanimously agreed.
   **Action: prices to be presented to the March FC meeting**

3.3 The other main project that CT-R would be involved with would be the registration policy review as the checking of breed trees to be operated via the system required expertise. She could direct the team who had volunteered to help.

3.4 It was noted that there were IT projects for development in future if money was available. The website was in need of an effective search engine. Also, the Genetics Committee and Judge Training Review Group wanted to make use of online learning with resources for gaining knowledge and self-testing.

---

**FC850**

**CLUB & BAC MATTERS**

1. **Club and BAC 2019 returns report**
   1.1 SH reported that none had arrived yet, but she knew some were in preparation.
   1.2 It was agreed that dispensation would not be given yet, as there was time for treasures to get the information required, and for clubs to sort out and/or ask with any problems.

2. **Final review of letters and forms**
   2.1 There was unanimous agreement that these were acceptable as presented and should be sent to club officers and on the website.
   2.2 The OM confirmed this would be done immediately.
   **Action: forms to be sent to club officials and available via the website**

**FC851**

**GCCF EVENTS AND MARKETING**

1. **Promotion of Agria & the kitten cover notes**
   1.1 The second survey by Agria took place on 3.2.20. Liaison with the company on a catalogue advert was still ongoing.
   1.2 Ian M was also waiting for Agria to liaise on the technical side of setting up the £1 per kitten promotion. It was agreed that when this was ready all customers should be informed and information via the online news and in envelopes with registration documents should be aimed for.
   **Action: continued liaison on this**

2. **Supreme event for 2020**
   2.1 JH reported that negotiations with the NEC on a suitable hall were difficult. They were offering internal car parking (free of charge to exhibitors & officials), but this was coupled with putting the event into the largest hall where most space would not be used.
   2.2 He was checking the use of the Forest of Arden (hotel) for prices and suitability for the WCC event the following year, and hoped to use it in 2020 to become familiar with the facilities and the transport logistics. It was agreed that was a sensible plan.
   **Action: continued negotiations with the NEC and the hotel**

3. **World Cat Congress**
   3.1 The dates were confirmed as 21st-25th October 2021.
   3.2 The 2021 hotel rates of £140+VAT (single) and £180+VAT (twin) for a room, breakfast & dinner were considered fair value.
   3.3 There would be a room available for seminar use on ((Sunday & Monday) at £45 per head inclusive of lunch and conference facilities. This compared to £90 (approx) at the NEC.
   **Action: continued development of plans**

4. **London Cat Care**
   4.1 The OM had made investigations into the company and found they had been established very recently. Also, the 'office' was a London flat in a residential block, and despite requests there had been no name supplied for a GCCF contact.
   4.2 FC members agreed with Denise that any link with the company would be a high risk venture of little benefit to GCCF. LCC hoped to gain from the endorsement, but it was thought there should be no association with a company that sent people into other people’s homes without substantial validation.

**FC 852**

**ANY OTHER BUSINESS**

None taken.

**NEXT MEETING:** 18 March 2020 in the Artists’ Room of the Conway Hall, Holborn, London at noon.

End of Agenda, with business completed where possible, at 3.40 pm