THE GOVERNING COUNCIL OF THE CAT FANCY

Minutes of the meeting of the FINANCE COMMITTEE
held on Wednesday, 23 September 2020
By video-conference

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

The meeting was conducted via a video-conference (Zoom).

FC869  MEETING INTRODUCTION

1.  Apologies received
1.1 The meeting opened at 10.15am. Apologies for absence had been sent from Shelagh Heavens (SH) in advance, and MCB apologised for lateness when she arrived at 10.35am.

2.  Chairman’s opening remarks
2.1 JH welcomed the committee members and staff present.
2.2 He observed briefly that it was full agenda.

FC870  MINUTES OF THE PREVIOUS MEETING

1.  Minutes of the meeting of 13.5.2020
1.1 These had been circulated in advance to allow corrections and amendments to be made.
1.2 There was one additional correction and the minutes were then approved unanimously.

2.1 JL reported that these minutes had been difficult as it had been a meeting with a great deal of discussion on small details within the show accounts for the West of Scotland, in order to correct these in preparation for independent examination.
2.2 She was grateful that MCB had made suggestions to improve their accuracy.
2.3 There were no further corrections and the minutes were approved. It was understood that these accounts had now been accepted for the purpose of the club’s returns and the issues were now resolved.

3.  Matters arising from previous minutes not on the agenda
3.1 FC867.1 JH confirmed that there had been no Zoom meeting of the WCC. He had suggested that one should take place, but there had been no interest from other members.
3.2 FC864.1.10 SC reported he had attended a recent Canine & Feline Sector Group meeting where the increased demand for puppies and kittens had been discussed. The main concern re puppies was illegal imports and the Kennel Club was seeking a meeting with DEFRA to advise remedial action.
3.3 There was not the same concern regarding kittens. ‘Backyard Breeders’ were the main problem as they used internet sales sites to assist ‘kitten farming’. A new concern was that scammers were purchasing kittens with paperwork from northern areas and reselling them in the south, contrary to Lucy’s Law. One group was currently being investigated, but it was expected there would be others.
3.4 It was suggested that an effort should be made to ensure the “Kitten Checklist” featured prominently on all popular internet animal sales sites.

Action: Referral to the Board for discussion

SC

FC871  DECLARATIONS OF INTEREST

INFO

(MCB came into the meeting as FC872 began.)

FC872  FINANCE

1.  Profit and loss accounts to August 2020
1.1 LP presented the p/l figures for August. She was delighted to report excellent news as the accounts were showing a gross profit of £125,508.73 when the budget prediction for this period was £50,053.6, close to what it had been at the same point in in 2019.
1.2 Expenses were lower as there were no meetings. However, income had also risen, mostly due to an increase in core business which more than offset the lack of income from shows and printing.
1.3 The OM observed that the September registration and transfer figures were very positive, and the prediction was for another profitable month. It was noted that transfers had risen significantly recently and that import figures were showing another substantial rise.
1.4 Agria income had remained steady and the company had noted satisfaction with the number of policies now generated.
1.5 The Chairman thanked LP for the work she was doing looking after the current accounts and for the production of the end year accounts for 2019 including the liaison with Monahans to finalise these.

1.6 It was noted that the company accounts were now published on the website and delegates had been invited to send in queries directly to Leanne. None had been received. As set out in the resolutions for the temporary change to the ByeLaws (because of the pandemic) there would now be a period when delegates could object to the accounts, but as long as no more than 33% made an objection the accounts would be deemed to be accepted and could be sent to Companies House before the year end deadline.

**Action: the accounts to be sent to be signed off by the Chairman in preparation for completion.** OM

1.7 LP stated that she was disappointed to discover Payzone had hidden charges. She had understood that there would be no individual transaction costs, but this applied only to the first 150 with a 10p additional fee charged on each subsequently (£694.40)

1.8 She had been able to negotiate this to 500 free and thereafter a fee of 5p (£231.55) as there had been no mention of this pricing structure within the contract. The company believed this was an error by their finance team.

1.9 It would make the annual charge around £376, whereas that for Paysafe in this respect would have been £1272. A substantial saving had still been made and LP was thanked for this.

**INFO**

2. **Proposed change to the practitioners examining the company’s annual accounts**

2.1 A proposal to appoint practitioners to examine the accounts would usually be made at the Company’s Annual Electoral meeting. As this could not take place it had been included in the resolutions that a recommendation would be put to delegates on the GCCF website with any objections recorded (50%+ required).

2.2 As there was no stipulated time frame for this it had provided an opportunity to invite practitioners other than Monahans to submit details of their services and costs.

2.3 Monahans charges for producing the 2019 accounts were £8558 + VAT. This was a substantial increase on those for 2016 & 2017 when a similar service had been provided (£4950 & £5200 + VAT). The reason given for the much greater charge was the high level of queries and they were not prepared to itemise these costs without charging for the service.

2.4 LP reported that the queries were mostly in connection with errors Monahans had made and had listed these with considerable detail for FC, with the conclusion that GCCF was having to pay to correct mistakes made by the accountants. It was accepted that errors could occur, but not that the cost of rectifying these should be added to GCCF’s bill.

2.5 In addition communication with the company was poor, taking a considerable amount of time, and with a refusal for direct telephone contact with a senior person when a junior could not answer a question. Overall, it seemed that they did not want GCCF’s business.

2.6 As far as was known no formal contract existed with Monahans, other than the opportunity for annual appointment, but the OM would check. Therefore it was proposed by MCB that a letter should be written specifying their incompetence, lack of communication and poor attitude towards GCCF as the reasons for not engaging them to work on the 2020 accounts.

**Action: letter to be drafted and circulated** JL

2.7 LP had spoken to three practitioners (Gill Freeman, Milsted Langdon, Michelle Ferris, Albert Goodman & Gavin Roberts, Maxwell) and received written detail (presented). The choice was between the first two as the third had not provided sufficient information in the specified time. The charges made, both inclusive of a rolling audit (limited procedures for scrutiny), were approximately the same, therefore LP’s preference for Albert Goodman was based on the quality of the response provided. Michelle had researched GCCF before giving a quotation (unlike the other two), had specialist knowledge of the not for profit sector and would ensure direct personal contact with the two people responsible for the account.

2.8. It was agreed unanimously that Board support should be sought to appoint Albert Goodmans to examine the 2020 accounts. The initial contract would be for one year with the option of 3 years at a fixed rate to follow.

**Action: a summary of the arguments in favour of AG to be sent to the Board after circulation to FC (based on LP’s preparation)**

2.9 A Zoom meeting to be arranged between the Officers, OM & LP with Michelle if Board support is obtained at the meeting on 25 September OM

3. **Matters from the August Board meeting (BD3996.6)**

3.1 a) provision of electronic equipment for Board Directors (BD)

3.2 It was noted that no one should be deterred from standing for the Board and other committees because they did not have the necessary equipment for electronic meetings.

3.3 However, it was thought impractical to purchase anything until the need was identified as electronic devices could outdate fairly quickly.

3.4 It was agreed that the OM should check with new Board members to ensure they could receive email and attend electronic meetings and request Board support if necessary to buy equipment, without identifying the member concerned. It would be on loan for the term of office. If the Office already possessed the necessary equipment to make a loan a record could be kept without reference to the Board.

**Action: report to the Board, and a query on whether anything could be added in to the information for nominated candidates on the requirement for attendance at meetings held electronically** JH

3.5 b) protocol for GCCF holding funds on behalf of clubs and BACs (BD3996.5)

3.6 GCCF had received monies from the show account of the North West CC and the Ragdoll BAC. The first was to be held in trust until it was possible for the club to become active again, and the other until it was confirmed that the BAC had a new treasurer in place and a new account opened.

3.7 The cheque from the BAC had not been cashed on the instructions of the Board, as it had to be confirmed by SH that the amount was correct based on what was known from the previous year. There would be an update at the Board meeting.

**Action: request to the Board to allow the cheque to be cashed to avoid the possibility of expiry check with the Ragdoll BAC officers on progress with a new account** JH
3.6 It was agreed that the protocol for a release of funds held would be by application to the Board by a verified club/BAC officer, supported by minuted evidence that an account had been opened, and giving details of the cheque signatories. At least two signatories would be required.

3.7 There was clarification needed on securing money held on behalf of others to avoid it being lost if GCCF should become bankrupt.

Action: discussion with the new examiners when appointed

LP

4. Statement on investments and accounts

4.1 RF reported the investment account balances:

   - The Aldermore: £76445.61
   - Cambridge & Counties: £77727.37
   - Redwood Bank: £70,247.03
   - Monmouthshire Building Society: £84,000 (a newly opened instant access account)
   - Lloyds Bank current account: £165,977.41
   - Lloyds Bank Supreme Account: £1036.50 (£5 lower than the previous month due to bank charge)

4.2 LP reported the Euro account balance was €11,309

4.3 There was some discussion on retaining the account for Supreme funding as the cost was £5 monthly for no purpose. LP proposed that she investigate the possibility of avoiding a monthly charge while the account was inactive, and if that wasn’t possible the funds could be transferred.

Action: discussion with Lloyds & report back to FC

LP

5. GCCFI

5.1 Discussion had taken place between JH, RF the OM and a GCCFI representative with some updates made by both parties to the Registration Support Service Agreement. These concerned VAT (items 6 & 7) period of notice agreement (3 & 27) and the use of administrative prefixes (Appendix 4).

5.2 FC discussed the fact that the service had now been provided to GCCFI for almost three years and agreed it must be accepted as operating, as it would be impossible to make any legal case that it was not. This required: a change to the terms of agreement and the removal of the clauses concerning ‘Indemnification’.

5.3 Clause 3 to read:

The terms of this Agreement will begin on the date of this Agreement and will remain in full force for a period of 3 years and then continue automatically and remain in full force thereafter until terminated by either party giving three six months’ notice. The term may be extended with the written consent of either party.

5.4 It was acknowledged that the cost of setting up the service had not been repaid by income earned from GCCFI in three years. It would take quite a bit longer. However, GCCF had the advantage of being able to offer a service to other registries (and information had recently been asked for by the registration body for cats in New Zealand).

5.5 It had been ascertained by RF that GCCF would have no additional responsibility for UK VAT costs. GCCFI had responsibility for VAT in Ireland, but currently were exempt from VAT charges.

5.6 The indemnity and VAT issues had been the main concerns of the GCCF’s solicitor. FC concluded that as these had now been dealt with there was no further need for legal advice, particularly as both parties were satisfied and the processes were operating smoothly. Therefore it would be recommended to the Board that the agreements should be signed.

Action: referral to the Board at the next meeting.

JH

6. Investing in education via the website

6.1 RF had been prompted to ask for information after mention of films on the Kennel Club’s site giving breed and judging information. These had been made professionally and contact with the company gave production estimates of £3-4000 per film.

6.2 It was acknowledged that the lack of shows and seminars highlighted the need for GCCF to provide more online learning opportunities. These could be as simple breeder judges commenting on the interpretation of an SOP using their own cats as examples to more complex tutorials on judging Grand or Imperial classes. The veterinary defects could be discussed, and opportunities for interactive learning provided.

6.3 It would need careful planning and implementation would probably be by stages, but GCCF had funds that could be used for investment in one or more major projects.

6.4 It was agreed that £10,000 should be put into the budget for a start in 2021. This would be particularly useful if professional expertise needed to be bought in at the planning stage, as was probable.

Action: further investigation into what was provided by other registries for ideas more KC information & comparative prices to be obtained

ALL

RF/JH

7. Budget preparation for 2021

7.1 The OM and LP had scheduled a first draft in early October with the first meeting planned for 1.10.20.

7.2 It was thought an initial circulation should be to the current Finance Committee for comment, prior to its presentation to the new committee after the November elections.

Action: draft to be circulated when prepared

OM

Page 3  Finance Committee  23.9.20
1. Work within the office was now back to normal except for continued social distancing and other Covid H&S requirements. The phone lines were now on. There was no friction between staff members, and the two recruits had settled in and were learning quickly.  

1.4 Denise had suggested four members of staff should receive bonuses and FC agreed with the rationale provided. Committee members were also unanimous that she receive a substantial bonus to reflect the leadership and organisation she had provided to the office team throughout the difficult year.

1.5 It was agreed that a minimum of ——— should be the baseline, with the exception of the staff member who had arrived just before lockdown who would receive £——. This came to a total of £——.

1.6 It was agreed MCB would put this figure into a table and include with it payments at 6.8 and 7.3% for circulation. It would then be decided whether two of these or all should be presented to the Board at its October meeting.

1.7 There was discussion on the computer consultancy and it was acknowledged that there should be appraisal of whether the amount offered should be increased in the 2021 budget, although this would be a separate consideration from salaries. If a bonus was paid it would add £—— to the total. It was thought there must be discussion with the OM on this before there could be any decision.*

Action: information on the outcome of the discussion on bonuses to be given to the OM  JH

2. Preliminary salary and staffing requirements for inclusion within the budget.

2.1 The recommendations for salaries for current staff from April 2021 were discussed. There was agreement on the first and some rounding up from £—— had considerable input into training should receive an increase that reflected this. Therefore £—— instead of £——.

2.3 A staff member who was now out performing a colleague should be rewarded. Therefore the full increase to £——for the first and the other to £——.

2.4 There would be a small increase for another staff member as recommended.

2.5 When the newcomers had completed their six months probation (21 February) their salaries would be £——. It was agreed they would remain at that level unless an increase in the national minimum wage meant a reassessment.

2.6 The recommendation would be for the OM’s salary to increase by——

2.7 The OM would be asked to consider an increase in the annual computer consultancy fee as well as a bonus. It was recognised that there was need to retain the consultant and that he provided an invaluable service, extremely conscientiously. There was an initial suggestion that the annual fee should be £——.

2.8 The OM had prepared details of the committee secretary’s role combined with marketing. She wanted the employee to be based at the Office for monitoring and management. The salary would depend to some extent on skills and experience, but the estimated figure was £——.

2.9 The above recommendations were unanimously agreed by FC.

Action: information on the outcome of the discussion on salaries to be given to the OM  JH

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Action: information on the outcome of the discussion on salaries to be given to the OM  JH

3. Office refurbishment and/or equipment renewal

3.1 The work resulting from the fixed wire testing would be carried in November, which was the earliest available opportunity.

3.2 The electrician had quoted £1040 + VAT to change 52 fluorescent light bulbs to LED, which would give an estimated saving of 80% on running costs. Additional benefits would be better light and less frequent replacement. FC agreed this should be within the budget refurbishment.

3.3 Investigations were ongoing into the most suitable electric binding machine for the production of show catalogues for STAR shows.

4. IT Report

4.1 The IT meeting scheduled for the 22 September had had a date change to 30 September as not all key staff could attend. Therefore there were no recent updates.

4.2 There had been some additional feedback on the use of STAR, but only a limited amount and the response to a survey had been poor. The changes and updates from the suggestions sent had been made, but it was not possible to test these without shows.

4.3 SC said there were updates for maintenance but no major plans or projects. SF gave a reminder that an effective search engine would be of great benefit. Professional revamping of the website generally to give easy access to information available was also a possibility. (The KC’s website update was mentioned as an example).

4.4 SC agreed to take these ideas forward.

FC874 CLUB & BAC MATTERS

1. Club and BAC 2019 returns report

1.1 SH’s report circulated to the Board on 2 September had been provided for reference. The OM thought there had been very little recent activity.

1.2 MCB reported that the returns from the Joint Rex BAC had been made, but were not examined. The treasurer would not put the original document into the post, nor travel to the the usual examiner, and until she was prepared to do so it was felt an apology had to be accepted because the reason given was Covid related and there had been notification of the difficulty well in advance.

1.3 MCB also remarked that although each breed within the JRBAC was an entity within its own right, the account was a single one and covered the expenses of all. Therefore it was necessary to give only a single listing.
1.4 One other BAC had submitted unexamined accounts (ABY) and three had not sent anything (SCJAC, SNOBAC and the Singapura BAC).

2. **Club refund for show licences**
   2.1 The OM reported that no clubs had claimed refunds. All of those entitled to them had carried the fee forward to pay for their 2021-22 show.
   2.2 Detailed records had been kept of which clubs had this entitlement.

3. **The possibility of holding a February Council meeting by Zoom**
   3.1 RF reported that she would be attending an AGM (non-cat related organisation) the next day at which elections would be held. She had been invited via ‘Event-Brite’ who she believed were responsible for organising and hosting. If there was no entry fee she understood it to be low/no cost, but would need to find out more.
   3.2 The OM observed the version of Zoom owned by GCCF allowed only up to 100 to join, so another host would be preferable to buying an upgrade.
   3.3 It was agreed that RF should report back on feasibility for GCCF on the experience and logistics as a Council meeting was desirable to make contact with clubs and include them in GCCF business.

**FC875 GCCF EVENTS AND MARKETING**

1. **Purchase of PPE equipment to assist penning companies**
   1.1 There was discussion on this, but it was thought too early to make purchases. The first stage would be to make detailed plans of what the ‘new normal’ for a show would be like. These would determine what equipment was needed and who would be responsible to paying for what.
   1.2 There was no objection in principle to GCCF paying for large items that would be retained by the penning companies for storage and be of benefit to a number of clubs, but it wasn’t yet possible to know what would be most useful.
   1.3 It was agreed that it would now be sensible for a Board group to reach out to others (including the SNAP group) to consider show possibilities and solutions going forward. It was understood that TICA had plans to hold two shows, although entry fees would be expensive.

2. **World Cat Congress**
   2.1 It was considered it was very difficult to make any plans due to the uncertainty of what the next six months would bring. It would impractical to organise in the final six months (March-October), particularly as many of those who had expressed an interest needed to travel from other parts of the world and could not make any arrangements.
   2.2 The WCC had given no guidance, and did not seem interested, possibly due to the uncertainty.
   2.3 It was queried whether the event could be transferred to 2022, but understood that Australia was hosting in that year,
   2.4 The conclusion was that following recent government announcements it seemed improbable the event could be held.

3. **The GCCF Year Book**
   3.1 Recent information had been circulated for consideration.
   3.2 The Committee was satisfied with the recommended quote on printing. It was thought sensible to go for a company that was known, and not the most expensive.
   3.3 Advertising seemed reasonably priced. It was intended to cover costs rather than make a profit and it would do this if the available space could be filled. It was thought that the clubs had not yet been contacted.
   3.4 As there was no contract covering sponsorship with Royal Canin there seemed no problem with allowing Purina to advertise. RC agreements concerned the Supreme and advertising via registration and transfers.

**FC 876 ANY OTHER BUSINESS**

1. There was brief discussion on the merits of Zoom and Teams with the conclusion that Zoom was the better option.
2. The practice of an owner registering when a breeder did not had always been allowed for by GCCF rules. It was preferable that the breeder should make the registration, and select active or non-active status, and the fact that the owner had this choice if the breeder did not take the responsibility acted as some incentive for registration by breeder. There could be a financial risk if it was removed.

**Action:** Ian to be asked to check how frequently owners (not breeders) registered cats.

**NEXT MEETING:** a video-conference on 25 November 2020

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