

NOTES TO THE FINANCE COMMITTEE

At its March meeting, the Executive Committee requested that the Finance Committee prepare a set of proposals to tackle the precarious financial position of the GCCF in the short and long term which could be discussed by them at their May meeting and ultimately form part of a raft of measures to go to the June Council meeting.

To this end it was recommended that the members of Executive who also sit at the Finance Committee meeting should meet with the Office Manager and GCCF Treasurer at the GCCF Office where figures could be easily accessed to produce some preliminary notes on which to base an informed decision at the all-day Finance meeting.

This meeting was held at the GCCF Offices on Wednesday 25 March 2009

Present:

Keith Scruton Vice-Chairman

Doreen Goadby

Stephen Bunce

Carole Butler Office Manager

Tom Holway Treasurer

Apologies:

These were received from John Hansson

The current financial position and the Treasurer's predictions for the deficit on normal trading for 2009 were reviewed.

Although too early in the current financial year to see the long-term effect of increasing Registration and Transfer fees with effect from 01 January 2009 the figures for January and February showed the anticipated fall on the same period in 2008. The knock-on effect of the current economic downturn was also likely to depress income as people rationalised spending. The Treasurer predicted a loss for 2009 of £60k to £100k, effectively using up all of the GCCF cash reserves.

It was agreed that it was essential than any recommendations contained a mix of revenue enhancing and cost cutting proposals. Although it was recognised that any increases in income proposed would not fully bear fruit until 2010. It was also agreed that the Supreme Show must, as far as is possible, run within a strictly controlled budget and every effort must be made for it to at least break even.

Normal Activity

Proposals for revenue enhancement

- 1 In view of the fact that the total cost of Council meetings in 2009 is expected to be in excess of £10,000 :-
 - a) Delegate's fees be increased from £20 to £30 per delegate and that capitation fees be raised from 10p to 15p per voting member.
 - b) It is further recommended that for 2009 a supplementary charge be made to the affiliated clubs to cover the increase so that the full effect of this increase can be reflected in the 2009 income.

- 2 In order to contain and minimise the work of Investigations/Disciplinary Committees
- a) A deposit of £150 be paid by each complainant to IC before a matter could be considered, with the exception of those complaints relating to genuine cases involving cat welfare. The deposit is to be refunded only on the order of the Disciplinary Committee following a successful prosecution.
- b) In all cases where a fixed penalty is to be imposed this should be sent out automatically by the office 28 days after the notice of breach of the Rules has been served on the defendant, unless the case is to be defended. This will generate less work for the office staff and free up members of IC.
- c) It is recommended that, with the help of the above measures, a maximum of four meetings of IC be held each year.

- 3 Currently there are about 3000 active prefixes i.e. where registrations have been recorded for the years 2007 and 2008.

It is proposed that an annual PREFIX MAINTENANCE CHARGE of £15 + VAT be made, similar to that levied by the Kennel Club. Arrangements to be made to allow for direct debit mandates to be set up to facilitate renewal and minimise the extra work involved for the office.

- 4 Increases be made to the cost of the following publications to reflect the cost of production, staff time despatching them and postage.

	UK £	outside UK £
Blank pedigree forms	7.50	
GCCF constitution	2.00	4.00
GCCF Rules	3.00	6.00
LIST OF Judges	3.00	6.00
List of shows (June 2009-May 2010)	6.00	10.00
Part show list (Nov 2009 – May 2010)	3.00	6.00
Mating Certificates	3.00	

- 5 a) The cost of a Prefix Application be increased from £60 to £75 in the UK and from £70 to £100 outside the UK.
- b) The cost of a list of cats under a prefix held on the GCCF computer be increased from £2.50 to £4.00 per page.

- 6 a) Registration fees and Transfer fees for 2010 be increased with effect from 01 January 2010 to:
- | | |
|-------------------------|---|
| Prefix Registration | £8 per cat/kitten (over 2 years of age £16.00) |
| Non-Prefix registration | £15 per cat/kitten (over 2 years of age £30.00) |
| Transfer of ownership | £11 per cat/kitten |

- b) The following be increased with effect from 01 July 2009:
- | | |
|---|--------------------------------|
| Import Registration | from £40 to £50 per cat/kitten |
| Amendments to Registration & Transfers | from £5 to £10 per cat/kitten |
| Duplicate certificate | from £3 to £10 |
| Change of register
(Active to Non-Active and vice versa) | from £10 to £15 |
| Search for Registration Number | from £3 to £5 |

c) With the introduction of A4 laminated Certified Pedigrees, bearing in mind the associated programming costs, it is recommended that only 5 generation pedigrees be available at a cost of £50 each; extra copies made at the same time £10.00

- 7
- a) The cost of a Show Licence to go up from £18 to £25
 - b) The show insurance charge per cat to go up from 25p to 40p
 - c) The insurance costs to be re-banded to reflect falling entries with the new rates being:

up to 100 single pen equivalents	£10
101 to 250 single pen equivalents	£30
251 to 500 single pen equivalents	£50
501 to 750 single pen equivalents	£75
Over 750 single pen equivalents	£100

8 That advertising space on the GCCF Home Page, in the form of a logo, with a link to their own website, could be leased to commercial companies whose products are related to cats. This could be in say a ribbon around the outside of the page. Charge £500 per year per logo.

The following cost-saving measures are proposed:

9 Decreasing the size of the GCCF committees was considered but rejected as it would produce very little by way of cash saving and in some cases e.g. the Disciplinary committee, be outweighed by the loss of experience that would be suffered. With Executive it could mean that substitutes would need to be called in to make a quorum if too many members were unable to attend a meeting.

The Office will look for cheaper alternative venues than Friends Meeting House, in the meantime it is recommended that:

- a) Council Meetings be held in the Small Hall with the February and October meetings starting at 1.30 pm so that we only pay for a half day hire. Hire charge Large Hall £1500 per day (NB the Gallery is hired out separately); Small Hall £900 per day, £600 per half day.
 - b) Tea and coffee only be served – no biscuits, saving about £1 per person per meeting.
- 10 No Supplementary Agendas be sent out except in exceptional circumstances approved by the Chairman.
Items too late for the agenda would be held over until the next Council meeting.
Proposals from Executive relating to Breed Progression to go on the agenda of the next Council Meeting following the Executive Meeting at which approved rather than being held over to the October Agenda.
Judge appointments/promotions notified in time for the Council Agenda but missed off by the office to be tabled at the meeting. (Those received in the office too late for the agenda to wait until the next Council meeting)
- 11 For Executive Committee meetings:
- a) A lunch allowance of up to £5 to be claimed with travel expenses rather than a sandwich lunch being provided at £12 per head.
 - b) Tea/Coffee/water served on arrival and at 2.30pm rather than three times during the meeting. No biscuits to be served.

The same to apply to the all day Finance meeting in April.

- 12 Engraved Medals currently cost the GCCF £14,500 plus the cost of collation of documentation, checking, postage and packaging.
It is recommended that un-engraved medals are sent out that people could have engraved at their own cost if they so wish. The medals could be sent out on a regular basis throughout the year once each show had been checked and would save time on collation and checking. This would reduce costs by some £10,000 and provide a more even flow of work for the office instead of the current quarterly despatch of a large number of medals.
- 13 Currently two accounting systems operate; one on the AS400 and one based on 'Sage' software on a pc. It is recommended that the 'Sage' accounting system currently employed be rationalised to give the detailed breakdown available from the AS400 such that a current member of staff can input the invoices rather than having a dual entry system or having to employ an outside Book Keeper. Data on which to base predictions and budgets would then be more readily available.
- 14 The tremendous amount of time and effort that had been put in to revitalising the office both by Mrs Marriott-Power and the office staff since Miss Beeson left at the end of November 2008 was recognised and greatly appreciated. However, even if the above recommendations 1 to 13 are implemented in full the income/savings generated during the second half of the year are unlikely to be sufficient with our rapidly depleting cash reserves to enable us to continue much beyond the late autumn 2009. Therefore more savings that will be reflected in this year's accounts have to be made.

With the changes to office routine and accounting outlined it is felt that the current establishment of fifteen could be reduced. Three posts have been identified as being vulnerable in this context.

In order to comply with legislation and to limit further speculation at Bridgwater it is recommended that with the agreement of the Finance Committee and following as quickly on its meeting on 8 April as possible:

- a) Staff be advised personally that in the present financial climate with a reducing income stream and changes to the structure of the office we could have to make up to three people redundant in order to remain solvent.
- b) Volunteers be sought
- c) Those of retirement age or over be consulted
- d) Staff at risk be identified
- e) Redundancy notices be issued
- f) An appeals process be put in place with the Chairman, who has not been involved in the selection process, hearing any appeals.

- 15 When the office was first established at Penel Orliou the funds to purchase the AS400 were not available. Clubs responded magnificently to an appeal to loan money, interest free, to the GCCF for up to five years and the computing system was installed.
It is recommended that a similar appeal be made to clubs to loan money to the GCCF under the same terms – currently with interest rates as low as they are returns are very small anyway – with the money to be repaid within five years. Sale of the property would generate the money to repay the loans in the event that the GCCF becomes insolvent. This would avoid the problems and cost of having to raise and service a commercial loan against the property.

The Supreme Show

It was noted with pleasure that the cost of halls at the NEC had been re-negotiated to fall within the limits imposed by the Finance Committee at its meeting in February 2009. However concern was expressed that the draft budget produced by the Treasurer did not reflect the economic

downturn and the current state of entries at shows. Rather than income being at a similar level to 2008 it was recommended that a more realistic budget figure would be 20% less.

The payback to the GCCF for office time was considered and it was agreed that a more realistic figure, based on staff guesstimates of the time that they spent on it, would be the cost of 0.5 of a member of staff. i.e. £13,000.

It was recommended that the Supreme Committee meet as a matter of urgency to consider a realistic budget that can be sent out to delegates with the June Council agenda.

Summary of Estimated Savings/Revenue Enhancement

	New Income £	Savings £
Delegates' fees	1687	
Capitation fees	1098	
IC deposit	3000	
Saved IC meeting & reduced work		1000
Prefix Maintenance fee	30000	
Increase in charges for publications	1500	
Prefixes	6000	
Registration / Transfer fees post 01/01/2010	25000	
Import registrations	1500	
Amendments to transfers	2500	
Duplicate certificate	450	
Change of register	4000	
Certified Pedigrees	11740	
Downsize Council meeting room		2700
Refreshments		330
Executive committee refreshments/lunches		1104
Medals sent out un-engraved		10000
Totals for a full year	88475	15134

Staff Savings

Saving on salary in 2009	Redundancy Payments	Total saving in 2009	Saving in 2010
30152	1033	29119	52191