

MINUTES OF A MEETING OF THE FINANCE SUB-COMMITTEE
held on Thursday 7 February 2019, at 7.30 pm at District Headquarters

PRESENT: Tony Andrews (Chair and Acting Secretary); Steve Clarke (Treasurer); and Mandy Sweet (DC).

APOLOGIES: Ray Salisbury (Activity Centres Treasurer).

1. Welcome and Chair's Opening Remarks:

The Chair welcomed those present and thanked them for their attendance - particularly mentioning Mandy Sweet (attending her first meeting as DC).

2. Minutes of Meeting held 15 November 2018:

The minutes of the last meeting had been circulated and were agreed as a correct record of that meeting.

3. Matters Arising:

It was identified that the Chair had yet to institute the inventory check of District HQ.

4. Treasurer's Report:

In his report the District Treasurer identified a number of matters:

a. **Registered Charity Returns:** The Treasurer had identified that three Scout Groups (5th Lancaster, 53rd Lancaster and 3rd Morecambe) had not filed their returns within the 10-month period. It was agreed that the Treasurer would remind them of their obligation. Additionally, there was no return from the Centurion with Westgate Scout Group (but this was expected as the charity had only recently been registered).

b. **Trustees' Responsibilities with Regard to Scout Groups:** The Treasurer had previously sought clarification in relation to District Trustees' responsibilities [with regard to Scout Groups]. The Chair identified that the only statement he could find in POR (Rule 4.25) was that "Members of the Executive Committee must act collectively as charity Trustees of the Scout District, and in the best interests of its members to: (inter alia) Supervising the administration of Groups, particularly in relation to finance and the trusteeship of property." The Chair was of the opinion that the District Trustees (and others) can provide information, offer advice, monitor (where possible) and where problems are identified assist - if requested. However, as each Scout Group is either an Excepted Charity or a Charity, it is the responsibility of the Trustees of each Scout Group to comply with POR and Charity Law. As such the District Trustees would not be held directly responsible if things went wrong.

c. **Bank Transactions:** The Treasurer reported that the number of transactions passing through the CAF Bank account had doubled in two years (from 407 in 2016 to 889 in 2018). He applauded the increase of BACS transactions but with two caveats (a number of people who say that they have paid when they have not - necessitating additional correspondence - and the difficult in identify payments - again without additional research).

d. **World Scout Jamboree:** The Treasurer noted that, at this stage, fund-raising receipts were well below the anticipated level required. With one third of the cost [of the Jamboree] being met by West Lancs Scouts, one third by Lonsdale District and the remainder by those selected then much more fund-raising would be needed or the parents and the participants themselves would have to contribute. The DC would ascertain fund-raising progress with the team.

e. **Building Insurance - 3/4 Moor Street:** After the fire in Moor Street in April 2017, the building insurance premium allocated for District HQ, by the Landlord, rose from £345 in December 2016 to £833 in December 2017. We were uneasy with this significant increase and made our views

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know to the Landlord. For December 2018 the notified premium was £558. After reviewing the information, plus considering other factors, it was agreed not to challenge the Landlord.

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f. **District Accounts for Year Ended 31 December 2018:** The Treasurer reported that work had been completed in incorporating the financial records for the District and Activity Centres [for the Annual Report]. The Activity Centres Treasurer had distributed various other elements for the Annual Report for review/amendment. The *Achievements and Performance* section for the *Trustees' Annual Report* would be completed by Mandy Sweet in conjunction with Craig Dewar-Willox. After discussing the delay in completing and accepting the annual accounts for the Lancaster Scout and Guide Shop (for the year to 31 March 2018) it was agreed to leave the estimate of the 'value' of our investment in the Shop as the same figure as the previous report.

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g. **Sharpe Bequest:** With the £100,000 capital fund held in two accounts both due to mature in about six months' time, it was agreed that the Treasurer should investigate the options available to moving some (or all) of this capital fund from cash deposits into equities (units trusts, OEICs or investment trusts). It was agreed that we should seek such an investment to yield income rather than capital increase. It was further agreed to re-visit the matter of indexing the capital value of the fund by reference to the Consumer Price Index once this research has been conducted (and recommendations made to the District Executive Committee).

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h. **Carry-Forward of Specific Funds:** The sub-Committee confirmed the previous policy of carrying-forward sums within the designated Restricted Funds. The matter had arisen as £400 had recently been received that was linked with some activity equipment donated to the District. The DC clarified that this needed to be ring-fenced (and any balance carried-forward year-by-year) and the reasons behind the original request from the ADC (Activities). The Treasurer would record this accordingly.

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i. **Surpluses and Deficits - District Events and Activities:** Arising from a recent question in relation to surpluses generated by District events and activities, the sub-Committee re-visited and re-confirmed existing procedures:

(1) The budgeting process is as set-out in the *Financial Management* document (approved by the District Executive Committee). It is acknowledged that on occasions, a number larger than the pessimistic estimate of likely number [as used in the budget calculations] does not result in a pro-rata increase in expenditure. As such a larger than anticipated surplus will be generated.

(2) There can be no carry-forward from one financial year to the next of such surpluses.

(3) In certain circumstances, a surplus generated by one Section event can be used to part-subsidise another event (in the same financial year) - subject to the approval of the DC and in consultation with the Treasurer.

(4) It should be noted that as District Funds will have to be used to underwrite possible losses incurred in organising events and activities, it is only reasonable that any surplus is absorbed into District funds. It should be noted that two events were run at a loss in the last financial year.

The District Executive Committee would be asked to re-confirm this procedure, as contained within the *Financial Management* document

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5. **Activity Centres Financial Report:**

The Activity Centres Treasurer provided an update in relation to Activity Centre finances. The CAF Bank account balance at the close of business on 31 January 2019 was £14,871. In addition, there is £15,000 deposited with the Skipton Building Society (immediately available). Thus, the total funds are £29,871. At the Financial Year end (31 December 2018) the 'ordinary' income for Littledale amounted to £31,505, with 'ordinary' expenditure of £15,849. Income for SilverHelme was £20,674 and expenditure £13,075. Capital expenditure during 2018 was £6,360 at Littledale - a new mower. There was some 'trailing' expenditure for the toilet block at SilverHelme amounting to £1,639; in addition a new mower cost £6,360 plus a garage costing £760 (built by the Warden's Team) resulting in a total capital expenditure of £7,120. During January 2019 we have paid for the installation of two water heaters and a long-overdue oven at Littledale. These capital items cost £6,917 (but grants-in-aid will cover much of this). A maintenance contract is being drawn up for the water and central heating

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systems. A week ago, Lancaster City Council tested our water supply at Littledale - the results are expected by 8 February 2019. This test was in addition to the annual cycle (to explore the necessity of additional 'water treatment' plant will be necessary).	
6. 14-15 Finance and Support Group: In the absence of the Chair [of the 14-25 Finance and Support Group] there was no report.	
7. International Fund Grant Applications: The following were approved (made with the authority delegated to the sub-Committee):	
a. A grant of £100 to a young person travelling within Europe.	TA
b. The Chair was authorised to approve a similar grant [of £100] for another application - for the same event - currently in the pipeline (as advised by the DC)	TA
c. A grant of £100 to each of five leaders supporting the District's visit within Europe.	TA
d. The Chair was authorised to approve a similar grant [of £100] for another leader if recruited for the same District visit within Europe	TA
8. Annual Report for 2018: This had previously been covered within the Treasurer's Report (Agenda Item 4 above).	
9. Any Other Business: The Treasurer had identified that it would be advantageous to have a fourth (and local) signature for the Skipton Building Society Account. It was agreed that the District Secretary would be an appropriate person.	SC
10. Date of Next Meeting: The date of the next meeting of the sub-Committee had previously been agreed as Thursday 2 May 2019 (at the District Headquarters, commencing at 7.30 pm).	All

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