

Income and Expenditure

Hampshire Hunt Club

For the 6 months ended 31 October 2020

	MAY-OCT 2020	MAY-OCT 2019	2020
INCOME RECEIVABLE			
Trail Hunting Income			
Member and Subscriber Subscriptions	61,812	51,316	60,257
Caps and Field Money	11,260	2,035	17,528
Total Trail Hunting Income	73,072	53,351	77,785
Fund Raising and Other Income			
Fundraising			
Ridden Events	15,151	10,991	11,151
Breakfast, Lunches, Suppers and Balls	-	-	5,037
Film shows, Skittles, Film nights, Bridge, Parties	180	-	3,655
Other Fund Raising Events	565	730	721
Total Fundraising	15,896	11,721	20,563
Dividends, Interest and Waleaves	742	904	2,677
HHSC and Other Donations	835	910	6,790
Horse Sales	-	-	5,000
Property Rents less Repairs and Costs	4,668	4,378	2,762
Total Fund Raising and Other Income	22,141	17,914	37,792
Contribution From/(Cost of) Fallen Stock Round before staff and vehicle costs			
Income From Fallen Stock	20,888	19,500	35,073
Waste Collection Costs	(6,192)	(11,916)	(25,442)
Direct Flesh Costs and Septic Tank	(4,101)	(3,503)	(6,420)
Total Contribution From/(Cost of) Fallen Stock Round before staff and vehicle costs	10,595	4,081	3,211
Total INCOME RECEIVABLE	105,808	75,346	118,787
Trail Hunting Expenses			
Staff Costs			
Staff Wages, Pension, Training, Insurance	25,158	36,770	59,320
Staff Clothing and Telephone	948	1,160	2,956
Total Staff Costs	26,106	37,930	62,276
Vehicle Costs			
Vehicle Repairs	1,350	354	1,442
Vehicle Fuel	2,317	2,405	6,541
Vehicle Insurance, Depreciation and Tax	5,227	4,671	6,926
Horsebox repairs	-	3,830	3,830
Total Vehicle Costs	8,895	11,260	18,739
Horse and Hound costs			
Veterinary Costs - Horses	888	703	1,914
Veterinary Costs - Hounds	1,260	5,142	6,655
Feed and Bedding - Horses	467	304	4,575
Feed and Bedding - Hounds	913	766	4,585

	MAY-OCT 2020	MAY-OCT 2019	2020
Farrier	1,285	1,470	3,019
Saddlery and Grooming	1,577	504	708
Total Horse and Hound costs	6,391	8,890	21,457
Property and Equipment Costs			
Property and Equipment Repairs	13,126	13,166	25,788
Property Insurance and Rates	6,187	7,504	7,923
Depreciation	1,322	1,483	2,973
Water, Heating, Electric and Septic	3,104	5,735	9,662
Health & Safety	-	373	783
Trail laying consumables	112	47	47
Total Property and Equipment Costs	23,852	28,308	47,177
Total Trail Hunting Expenses	65,244	86,388	149,648
Administrative Costs			
MFHA & Secretaries Subscription	4,025	3,576	6,313
Liability Insurance	2,452	2,837	2,837
Accountancy Costs	-	-	1,062
Postage, Printing and Stationery	(84)	647	870
Investment Management and Bank Fees	194	136	687
Puppy Show and Entertaining	387	483	483
Sporting costs and permits	-	-	75
Corporation Tax	-	-	612
Sundry Costs	612	153	248
HSBS Contribution	100	100	100
Legal fees	-	300	900
Total Administrative Costs	7,686	8,232	14,187
TOTAL EXPENSES	72,929	94,620	163,836
Surplus/(Deficit) on Income before Asset Disposals and Extraordinary Income	32,879	(19,273)	(45,048)
Extraordinary Receipts			
Club Supporters Special Donations	24,460	-	2,820
EHDC Small Business Grant	10,000	-	10,000
Total Extraordinary Receipts	34,460	-	12,820
Surplus/(Deficit) of Income over Expenditure for the Year	67,339	(19,273)	(32,228)

Income and Expenditure Forecast

At the time of writing we have to assume that we could be in a position of receiving very little income in the six months to 30th April 2021. Income will continue to come in from the fallen stock but as this does not fully cover the associated costs it will not add to the profit figures. Thanks to the prompt payment of almost all our members and subscribers nearly all our subscription income and much of our field money (from compounding) has been received already. This means that other than the property rent from the bungalow and a small amount of investment income our only real source of income in the next six months is from fundraising. With many events unable to run this makes the support of each one that does happen absolutely vital. At present

we can only budget for income we can expect with reasonable certainty and this total, excluding fallen stock income, comes to about £10,000.

The budgeted costs for hunting expenses, including all staff costs, over the next six months is £73,000. Direct costs of the fallen stock service have been excluded as they will largely be covered by invoiced income. The budgeted administrative costs for the next six months are estimated at £7000; this figure includes the corporation tax we pay on rental and investment income. This gives budgeted costs of £80,000.

This gives a budgeted net deficit in the six months to 30 April of £70,000 which will wipe out the surplus above of £67,339. Fundraising income therefore remains vital between now and the end of April.

In summary, whilst the six months figures above might make our financial position appear healthy, we are looking ahead to the prospect of six months expenditure with little income to cover it if Covid restrictions limit our hunting days.

Please support every event you can. As advised earlier in the year the cost of putting on a day out with the hounds costs about £2500 if you divide the annual costs by each hunting day. If hunting is cancelled these costs all still arise.

Treasurers Report to the Members on the six months to 31 October 2020

Income

Trail hunting income is well up on this time last year thanks to more timely payment of subscriptions and an increase in those who have compounded their field money. It is very hard to budget for caps and field money from November to March with constantly changing Covid legislation.

The Fund Raising is a pleasing figure but it has to be noted that this is almost entirely made up of our summer ridden events which have been able to run under the Covid restrictions. The Candover Ride raised an amazing £8,130 so enormous thanks are due to Ben Dyer and his family. We also owe huge thanks to the Harvie family for the £4,000 raised at the Hunter trial, to the HHSC for the £1500 which is half of the funds raised at the Horse Show, to Edwina Herrmann, Nicola Rowsell and Alex Gregory for the £870 raised from the Hunt Ride, to Angela Church who raised £400 at her South Downs camp and to those who supported the pre hunting course which raised £320. Sadly, we have lost all our social events which are not only good fund raisers but fun events which bring our community together. Zoom bridge, an auction purchase from the Virtual Hound Show and the kennels ride/cycle make up the remainder of the income in this period. The fundraising team are doing their best to come up with new and ingenious ways of delivering some of our annual favourites like the Christmas Fair and finding new ones like the Hound Racing. PLEASE support these and future events.

Other income has come in from regular donations, investment income and from renting out the bungalow.

Simon and Josh are doing a great job with the fallen stock round, looking after our Farmers and also providing a well recommended service to the Equine community. The costs of the waste bins have been reduced by the collection company to help out during the pandemic restrictions, but we don't know how long this will last. At the half year no staff or vehicle costs have been allocated to this service, but it looks on target to break even this year rather than make a large loss like last year which is great.

Expenditure

We now have three staff members at the kennels and a great team spirit so we hope there will be none of the unforeseen additional staff costs that we have suffered in recent years. The HHSC kindly kitted Simon out with new hunt coats which has kept our costs down.

Vehicle costs are slightly down on this time last year, but the lorry wasn't serviced in this period, it has been now but thankfully having a lot less wrong with it this year.

Horse and Hound costs are looking good at the moment, but I hesitate to comment too much as you never know if that big vet bill will come. After many years of spending nothing on clippers, rugs and tack we have had to replace some items for the horses which is why this cost is higher than usual.

Property and equipment costs are on a par with last year but only include essential property repairs. There has been money spent on jump building which enables the hunt staff to cross the country more easily and provides the field with more fences which in turn bolsters our field money as more turn out on 'jumping' days. Utility bills are variable as they come in at different times, so any differences are timing based rather than savings based.

The administrative costs are largely fixed and are on a par with last year.

The key line is the surplus/deficit of income before the extraordinary receipts. This time last year we were in a loss position of about £19,000 and this year we are in a profit position of nearly £33,000. This is a very pleasing position and results mainly from being £20,000 up in subscriptions and cash, £4,000 up on fundraising, nearly £12,000 down on staff costs and £10,000 down on other costs and £6,000 up on the flesh round. As mentioned in the forecast, whilst this looks good at the half year, the increase in income is largely thanks to more prompt payments by members and subscribers rather than an increase in actual revenue. For costs the emergency repair or veterinary fee can come at any time, we just haven't had them yet.

Our saviour this year has come from the extraordinary generosity of our members, subscribers and supporters who donated nearly £11,000 in May when we were facing a terrible cash flow crisis caused by the cancellation of all our key fund-raising events in the first lockdown. Lord Portsmouth is owed an enormous debt of gratitude by us all for gifting us his horsebox to sell which raised £13,500. This sum is shown in donations, so this hugely generous gift is recognised but the cash is ringfenced to buy a replacement lorry when ours is no longer viable to repair. After much correspondence with East Hampshire CC I was able to win my case that we were due a second small business grant, so we received a further £10,000.

At 31 October the financial position looks solid, but this is largely due to these extraordinary receipts. As I said in my forecast, if we cannot fund raise or go trail hunting much between now and the end of April all this surplus will be eroded. Our position is viable, and we are prepared and now able to cope with the worst but every penny of income over the next six months is vital.

Treasurers report on the anticipated proceed from the Hunt's interest in the Woodlands

Following the approval of the resolution at the General Meeting on 13th July 2020 to authorise the Hunt Trustees to sell the hunt interests in The Gullet, Bowers Grove and Sutton Wood we are pleased to report that sales have been agreed for all three holdings. At the time of writing the sales have not been completed and the fees and taxes are not finalised but it is anticipated that the share returning to the Hunt Club will be in excess of £800,000. The sporting rights allowing the HH Club to access the woodlands for hunting under the 2004 Act have been retained. The Trustees have put an enormous amount of work into securing these sales at or in excess of the asking price. We offer our huge thanks for all the work they have put into this project on behalf of the club. It must be noted that none are signed off yet and some finer points are still under discussion with both parties lawyers. Nigel Webb will report separately on behalf of the Trustees.

The objectives for this money remain unchanged from those in my memorandum given to the Members ahead of the meeting in July.

Going Forwards

Once the sale is a certainty the M&F will commence work on a ten-year plan which will include the use of the capital, development opportunities and its intentions to ensure that the Club is financially viable for the foreseeable future. Given the scale of this project and the fact that the Committee are volunteers (with day jobs) giving their time freely to manage the hunt club it is proposed that a working document will be presented to the Members, at the earliest, at the Summer meeting in 2021.

In the meantime, the following actions are in progress.

In the absence of a formal trust document a Memorandum of Understanding between the Member elected M & F Committee and Trustees is in the process of being signed to formalise the relationship in accordance with the Rules of the Hunt Club. The original document was, we now believe, simply the 1974 Rules of the Club. Following the 2004 Hunting Act the 1974 Rules have been superseded by the 2005 Rules so this new document simply confirms the original arrangement (as the 2005 Rules are unchanged on Trustee matters) and clarifies the existing and continuing relationship between the Club and the Trustees.

An Investment Committee is being set up under Rule 21 to look after and oversee the investment of the majority of the proceeds from the woodland sales. This Committee is made up of the Trustees, Sir James Scott, Charlie Corbett and Nigel Webb and

Peregrine Rowse, John Cowper Coles and Kate Andrews for the Hunt Club. Both John and Kate are Financial Conduct Authority regulated investment professionals. The Committee will report to the Members on the management and performance of the Fund.

The M&F have asked the Trustees to approach a selection of Investment Managers with a view to them managing the proceeds of the Woodland Sale on behalf of the Club. The Manager mandate is in the process of being finalised and will be set based on the need for income to supplement hunt funds, capital preservation with some growth and the understanding that some funds may be invested for the long term and some may have a short investment horizon.

The M&F will, as part of their, ten-year plan start looking into development opportunities at the kennels with a view to preserving, enhancing or replacing existing buildings to maximise their cost efficiency and earning potential.

The investment proceeds from the woodland sales not ringfenced for future development or income production for the Hunt Club will be held by the M&F. These proceeds will be used for a variety of purposes over the coming years including:

- Purchase of equipment which will reduce overall running costs such as the carcass mincer.
- Urgent property repairs and tree work which have been held back last year and this year as a result of the reduced income.
- Obtaining professional planning advice on our options
- Maintaining and improving the fallen stock workspace to ensure DEFRA, Environmental and Health and Safety requirements continue to be met.

Kate Andrews

August 2020