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*Cottesmore Hunt Committee Meeting*

*by Zoom*

*Wednesday 6<sup>th</sup> January 2021*

*7.00 pm*

*AGENDA*

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1. Apologies for absence
2. Minutes of the last meeting
3. Matters arising
4. Finance report
5. Report from Masters
6. Mastership for Season 21/22
7. Succession of the Chair
8. AGM
9. Date of next meeting
10. Any Other Business

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*Minutes of the Cottesmore Hunt Committee Meeting*

*by ZOOM*

*Tuesday 6<sup>th</sup> October 2020*

*7 pm*

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Chairman     Nick Townsend

Treasurer     Martin Reason

Secretary     Clare Bell

G Owen. N Wright. B Bell MFH. N Townsend MFH. T Clarke.

**The Chairman welcomed everyone to our first ever ZOOM committee meeting, which during these unprecedented times has become the new norm!**

1. Apologies for absence: Linda Pearce, Will Bell, Hilary Butler
2. Minutes of the last meeting: Proposed by Gwilym and seconded by Nick Wright and will be signed as a correct account.
3. Matters arising  
Allextion Wood deal was completed – the Cottesmore have forgone their hunting rights to the wood. The donation by the Fernie is in the deposit account.
4. Committee Membership  
Richard and Walker and Ian Hendrie have both resigned from the committee, adding vacancies to the list for the AGM. Proposals have been received and will be taken to the AGM tomorrow .  
Finance report/Budget 2020/21  
A report from Martin Reason, Hon Treasurer

1. Background

We are operating in unusual/unprecedented times – CVD 19 and exceptionally wet weather (combined) caused the end of the last hunting season to be brought to a close early and for the Chairman to initiate emergency meeting and operating arrangements. These arrangements have included a special Finance Committee meeting held at least monthly since March 2020 and (as you are aware) a not insignificant change to the way in which we manage our subscriber income with an upfront Membership commitment (of £800) and a subsequent subscriber payment (according to the hunting package requested). It is pleasing to report that these new arrangements have been fully embraced and positively received. Other positive points to note from the CVD19 special Finance Committee arrangements are:

- Conclusion of the hunting transfer arrangement (Allextion Wood) with the Fernie for which we received a hunting donation of £20K (now held in Jubilee Reserve)
- Application and receipt of a £25k small business grant related to CVD19 economic impact (£10k covered part of last season's trading deficit)
- Application and grant of a full rates concession on the kennels for 2020 fiscal year
- Application and grant of a further exemption from corporation tax return (held as dormant status) for 5 years from HMRC

Unprecedented times call for unprecedented measures. It is not usual for the Treasurer to present a draft budget to the Committee for approval after the hunting season has actually commenced (it started on 1/5/2020). However, the Finance Committee has been carefully monitoring CVD19 Government and Hunting Office guidance and we have been required to tailor our budgetary expectations to the prevailing conditions/guidance – this, as you know, has been moving on a weekly basis!

## 2. Trading performance to 30 September 2020

I attach accounts for the period to the end of September. It is important to point out that the healthy trading surplus of £56,498 is largely attributable to our improved cash flow, created by impressive Subscriber/Member reaction to our changed financial arrangements. The vast majority of our Subscriber income is now collected and we fully expect all other income streams to be either heavily suppressed or extinguished entirely (because of CVD19 restrictions on activity). I do not intend commenting on other aspects of trading to date as we are not operating in accordance with our original budget estimates and I am now proposing a re-forecast budget (see column headed "October re-forecast" which will become our new operating plan) for approval by this Committee.

## 3. October Budget re-forecast – for Committee Approval

This request for approval assumes we will hunt (under strict CVD 19 governance/compliance arrangements) through the entire season. It is predicated on two principles:

- Revenue will principally be derived from our Subscribers/Masters and there will be limited opportunity for income to be generated from "outside activity" – for this reason caps income is re-forecast at a significantly lower level
- Expenditure is kept to an absolute minimum based on "essential hunting costs" only

Two other points to note:

- a) I have deliberately held back the budget process to await robust data on Subscriber response/income expectation. I am satisfied that that the £130k revenue projection is robust.
- b) The Finance Committee has agreed to the release of a further £10k of the small business grant (from Jubilee Reserves) to fund acquisition of replacement horses for Hunt staff

The Committee is requested to approve the October re-forecast and this will then become the budget for the season UNLESS (see section 4) CVD19 forces an early season curtailment.

#### 4. Scenario Planning – Season curtailed at 31 December 2020

We all hope that this scenario does not play out. However, we are required to consider unplanned outcomes and this is particularly relevant in the current pandemic conditions. I have, therefore drawn up a scenario budget (see final column) to enable us to understand the financial implications of CVD19 forcing a hunting close down. Important points to note:

- I have assumed that the Committee will authorise one third of Member revenue being returned to Subscribers. This is a very delicate principle which I will explain at the meeting – in reality, I anticipate that the vast majority of Subscribers will not take up the receipt of rebate, but I have budgeted that 100% have 1/3 of their subscription/member payment returned to them.
- Of course, most hunting costs will have been “sunk” by 1/1/2021 but I have budgeted that horses are turned away on 1 January and we limit all costs wherever possible to the animal welfare of hounds (and horses) for the remainder of the season.
- I consider a deficit of £27,290 is a reasonable level of loss to expect if we are forced to shut down hunting mid-season. However, it would wipe out much of our reserves and it is for this reason that all Committee Members must take their own individual responsibility to enforce the CVD19 rules when out hunting – it would be sad and financially damaging if it was a breach of CVD19 legal conditions/rules which ended our season.

#### 5. Summary

We are currently in good shape financially. Our cash flow has been very positive (the best I have ever experienced) and our Jubilee Reserve balance (currently £45k) is the highest I have been able to record in approaching 14 years as Hon Treasurer. However, the downside risks are self-evident and I would urge extreme caution as we approach the onset of the main hunting season.

Martin Reason  
Hon. Treasurer

4 October 2020

The Committee approved the revised budget, proposed by Nick Wright and seconded by Gwilym Owen

The Scenario 1 anticipates closing down through national lockdown, and demonstrates the finance committee has prepared for the worst case scenario.

#### 5. Report from Masters

Nick Leeming reported that since March much effort has gone in to managing the situation to safeguard the staff, hounds and horses.

4 litters of puppies. Chris has done an amazing job and the kennels look amazing.

Joe Emmett has joined us from Dorset. We have a new Stud groom, Sam, and Ana has returned to groom in the stables.

Hunting has been a challenge to organise, but with the help of the hunting Office it has become possible to resume our sport.

Autumn Hunting has started well,.

There will be no formal meets and everyone must book in to meet the track and trace requirements. Masters have to submit 4 forms for every day – it is a massive task.

Huge thanks go to the stewards for all of their help, allowing us to continue hunting.

The fun rides have been tremendous, well supported and great fun.

Nick Townsend congratulated the Masters, putting on a days hunting is a monumental amount of work.

Gwilym/David – a reminder to everyone about social distancing would be a good idea, particularly to foot followers. The antis would love to catch us abusing the Covid regulations, and public perception may be a problem not just for us but for hunting in general. We all need to ensure we keep reminding people of the rules.

It was agreed that message from the Chairman and the Masters will be sent to members reminding them of the rules and the committee members will assist with the implementation of the rules. This applies to mounted followers and their support teams, foot followers and car followers

Clare Bell pointed out that the Cottesmore has a QR code to allow members to check in when hunting. We are the first hunt in the country to do this.

#### 6. Any Other Business

The Chairman said that the next meeting would also be by Zoom and would be looking at the Mastership for the next season. In the meantime it is to be hoped that we can continue to enjoy this season

Meeting closed 7.52

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*Cottesmore Hunt – Finance Report for 8 month period ended 31/12/20*

*Meeting Wednesday 6 January 2021 at 7pm – virtual by Zoom*

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## **1. Exceptional Circumstances – CVD19 movement restrictions**

Ordinarily, at this juncture, I would be presenting a report to the Committee commenting upon income and expenditure to date compared with our BAU operating budget. However, these are not ordinary circumstances and from 31/12/2020 the Hunt has faced severely restricted CVD19 related operating restrictions where only the County of Rutland remains in a CVD tier which permits continued hunting. There is no merit, therefore, in commenting upon our year to date financial performance aside from to report that (as shown in the YTD statement presented below) we are in a strong financial position with a current operating surplus of £62,894 and bank balances at 31/12/20 of £58,565 (C/A) and £45,000 (Jubilee). Instead, the Chairman has asked me to present analysis which will enable the Sub Committee to make recommendations to the full Committee on how we structure our operations for the remainder of this disrupted season.

## **2. Analysis**

### **2.1 Continued/Curtailed Hunting**

- If we continue to Hunt in a restricted format for the remainder of the season it is reasonable to assume that we will incur average expenditure of £16k/month. It is not reasonable to expect that we will generate any further substantive revenue.
- Continued Hunting will allow around 14% of our subscriber population to Hunt, representing collectively around 10% of our YTD revenue.
- Curtailing hunting immediately will allow the Hunt to furlough a percentage of its staff and remove some hunting costs. In addition to furlough support, we would also be able to attract small business grant aid. I would estimate that the “net effect” (reduced furlough staff costs, supplemented by grant aid) of this action would be to reduce average expenditure by c. £5k/month.
- My high level analysis indicates that if we continue to hunt on the current restricted basis we will totally eliminate the YTD surplus of £62,894 by 30 April 2021. If we curtail our hunting activities our position is predicted to improve by around £5k for each full month when we can furlough/obtain grant aid because of CVD19 related business interruption.

### **2.2 Risk/Reward Assessment**

- Continued hunting for a maximum of 14% of our Subscriber population risks the possibility that the residual 86% see this approach as inequitable and request a refund of a portion of their paid subscription. At best, there is likely to be some fracturing of our current tight knit team and strong morale.

- Aside from the reputational risk, continued hunting (for the remaining season) risks erosion of a hard-earned financial surplus which diminishes our financial strength for future unimpaired hunting seasons.
- There is a risk that continued restricted hunting causes injury to Hunt horses, thereby incurring additional cost and potentially impairing Hunt assets.
- Continued hunting in Rutland is likely to focus unwelcome attention on our Hunt, including scrutiny of compliance with the CVD19 regulations (e.g. horses travelling across tier 4 boundaries to hunt)

<b>INCOME &amp; EXPENDITURE</b>						
<b>31.12.20</b>						
		<b>2019/20</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	
		<b>Actual</b>	<b>Actual</b>	<b>Reforecast</b>	<b>Reforecast</b>	
			<b>to date</b>	<b>Budget to date</b>	<b>Budget 1.10.20</b>	
<b>INCOME</b>						
Subscriptions		121334	132611	127891	130000	
Caps		33403	13111	13000	20000	
Masters Contribution		12000	17100	17100	17100	
Donations		1773	944	2000	3000	
Hound Sponsors		2623	2120	2750	3000	
Point to point		5000	0	0	0	
Melton Hunt Club		4000	2000	0	0	
Hunt Supporters		15000	0	0	2500	
Hunt Functions/Ball/Auctions		11413	0	0	5000	
Fun Rides		300	16325	12000	13000	
Hound exercise rides		0	0	0	0	
200 Club		1465	200	800	1000	
Basic payments for paddocks		0	700	0	0	
Property rent		2755	0	0	0	
Small Business Grant		10000	2000	0	10000	
Other income		1000	403	0	0	
<b>Total Income</b>		<b>222066</b>	<b>187514</b>	<b>175541</b>	<b>204600</b>	
<b>EXPENDITURE</b>						
Staff	Wages, Pensions, NI	85911	43231	43782	70558	
Kennels & Stables	Vet( Hounds)	6597	1389	2500	4500	
	Hounds Feed	2795	153	1200	2500	
	Flesh disposal	508	1060	990	1500	
	Clothing	1745	1088	1088	1088	
	Equipment	695	662	350	750	
	Horse Feed	4516	2189	2750	5000	
	Hay & Straw	2044	0	0	1000	
	Vet (Horse)	12607	7282	7300	12000	
	Farrier	5774	3077	3500	6000	
	Saddlery	926	1184	400	600	
	Muck Heap	2640	120	420	900	
	Equipment	2215	1397	1050	1200	
	Replacement horses		0	9175	9175	9175

Country	Country work & improvements	5650	1960	4760	5400
	Fencing Materials	5404	3001	1900	3300
Vehicles	Fuel	12589	5493	6100	9900
	Repairs	13161	7268	5300	6300
	Replacement vehicles	0	0	4750	4750
Property	Maintenance & repairs	5934	3220	3200	4200
	Electricity	9577	5417	5667	9000
	Water	3260	153	1000	3000
	Heating Oil	3318	0	1400	3000
	Telephone	2119	1416	1350	2000
	Rates/Council tax	8919	5121	5120	6410
Admin	Admin/sec's exps	5500	1880	1880	3680
	Post/print	1505	380	300	500
	Telephone	1481	775	925	1500
	Subs/dons	511	353	250	500
	Insurance	11050	6243	6616	10000
	Prof fees	520	1647	1417	1417
	Bank chgs/int	345	242	240	360
	MFHA	8942	4754	6904	9200
General	C & M	1792	1187	950	950
	CWG	2499	1282	650	810
	Misc	1427	821	808	1080
<b>Total expenditure</b>		<b>234476</b>	<b>124620</b>	<b>135992</b>	<b>204028</b>
<b>INCOME LESS EXPENDITURE</b>		<b>-12410</b>	<b>62,894</b>	<b>39,549</b>	<b>572</b>

Martin Reason  
Hon. Treasurer, Cottesmore Hunt

3 January 2021