

# Minutes of the Annual General Meeting

Held on Wednesday 27<sup>th</sup> November 2019 at 8-00 p.m.

## **Present**

- 1.1 The 52 attendees were: Doug Old, Stephen Widdison, Christine Widdison, Kim Wilshaw, Sarah Goodwin, Maryla Gledhill, Connie Appelbe, John Cockill, Derek Smyth, Guy Williams, Julian Holmes, Steve Osborne, Tim Munns, Ed Bennison, Guy Davis, Barry Wilkinson, John Baird, Alan Kitchener, John Shaw, Nigel Vivian, Martin McPherson, Gordon Rycroft, Tim Hall, David Ball, Vivienne Ball, Matt Ferguson, Gemma Ferguson, Mark Woodward, Nick Thompson, Andy Lawson, Billy Barker, C Conroy, Dave Wightman, E Ledear, A Weerasinghe, E Hayhurst, J Haslem, Dan Kilby, Sid Mouncey, Glenn Rowe, Rob Wood, Ken Peaker, Katie Shepherd, Nigel Cooke, Clive Carnazza, Phil Smith, Jonathan Stubbs, J, Havery, G Forsythe-Conroy, S James, Ed Thornton, John Surtees.

## **2 Apologies**

- 2.1 Apologies were received from Ed Connell, Toby Jacklin, Gillian Binns and Mr and Mrs Rankin.

## **3 Minutes of Previous Meeting**

- 3.1 The minutes of the meeting held on 28<sup>th</sup> November 2018 were proposed as being an accurate record of that meeting by Sarah Goodwin, seconded by Kim Wilshaw and approved by the meeting.

## **4 Matters Arising from Minutes**

- 4.1 There were no matters arising from the previous minutes.

## **5 Chairman's Report**

Good evening and welcome to the 2019 CALSA AGM. Thanks to you all for making the effort to attend. We do appear to have a great turnout with representatives from all sections here this evening. There would seem to be no doubt that the meeting is quorate (that is 20 full members) as believe it not we have an item on the agenda which needs a 75% majority of voting members to support for the proposal to go ahead.

Firstly a few thank you's: Thanks to Ian and the team for keeping the bar running smoothly.

Thanks to my colleagues on the Management Committee for their support and input over the last year. Just in case there is anybody here who is not familiar with the faces on the Management Committee, can I introduce Ken Peaker of Boston Spa Hockey Club who is CALSA President. I am Nigel Cooke, Chairman, Stephen Widdison is Treasurer, Doug Old is Acting Secretary. Representing CLCC is John Surtees, Boston Spa Hockey Club is Rob Wood, C&LSRC rep has been Doug Old and CJCC, represented for a number of years by Paul Robinson, who in the last couple of months has stood down and Dave Wightman has been appointed as successor. Connie Appelbe joined the Committee earlier this year to represent the interests of our increasing number of female members. My thanks also to Anthony Kettlewell our independent financial reviewer for casting a critical eye over our year-end accounts.

This has been another record year for bar sales, bucking industry trends. As the financial report will explain shortly this has been another financially successful year for the Association overall, with Squash and Racketball having a bumper year, both in membership fees and court bookings.

Amazingly this is my twentieth year as CALSA Chairman, and what an interesting and often challenging period it has been. When I first agreed to accept the role, (somewhat reluctantly I have to say), the Association was financially on its knees. We had debts of £97,000 with no means in place to repay the various creditors.

With the support over a few years of a series of willing Committee members, we managed to turn the finances around and plan a way forward. In the twenty years we have not only repaid our debts but have successful in raising funds, through retained profits and grants, to invest around £250k on maintaining and improving the facilities. We now have sufficient reserves to plan a major investment, by far the largest the Association has ever contemplated, a proposal supported by the Management Committee.

The past two years have been an interesting period for the Management Committee, as membership has been divided over the issue of investment in the extension project. I have not heard from a single member who was ambivalent: Some were in favour and some were against, some on both sides were very vociferous.- Both sides had their rationale in support of their position.

Tonight we have a decisive vote, at the end of which we shall know whether or not the project will proceed. We have a team of builders ready to come on site next week so if we press the green button there will be no delays.

Can I ask all members, in the interests of unity and good spirit, whether they vote for or against the proposal or don't exercise their vote at all, to support the decision and

whatever is the path forward, to continue to support the Association and its Management Committee in enabling us to continue to provide these magnificent facilities in our village. In closing, I really must compliment Stephen and his small team for getting the project to this stage. It has taken an amazing amount of time, effort and paper - and let us not forget - we are all volunteers. Well done Stephen.

Well I am sure you have all heard enough from me and as we are all here this evening for only one reason, the sooner we get to that subject the better. Firstly though I would like now to hand over to our Treasurer Stephen Widdison to make the financial report.

## **6 Financial Report**

You have copies of the accounts for the year ended 31st August 2019. I do not intend to talk you through all the 8 pages but will point out a few significant headlines then open up the floor to questions. I have a few copies of the “talk” I am about to give, for anyone who would like one.

Firstly a bit of background. The CALSA accounts have now been in present format for four years, but this is the first year the hockey section has been fully integrated, so it has inflated a few figures on the income and revenue sections, but overall the total impact is £1,000; negligible.

For clarification, all money now spent is treated as an expenditure item on the Profit & Loss account, so there is no capitalisation and subsequent depreciation. This includes money spent to date on the Extension Project

So, on to the figures themselves. Starting on Page 4, which are the high level summaries of what follows on pages 5 and 6.

The two notable figures are Net Bar Income increase and Squash & Racketball Income which is also up. The Bar is quite simple, higher takings whilst maintaining margin without increasing running costs. Squash & Racketball has seen big increase in membership subscriptions, which in the main flows through to CALSA on the “Squash Contribution to CALSA” income line. Notable here is a number of members offering to take life membership in order to assist the Extension Project.

On the expenditure side, there is a £14,000 increase. Last year’s refurbishment costs have been replaced by expenditure to date on the Extension Project. Legal & Professional is some of the early expenditure on evaluating the Extension (before the project officially started) and legal expenses around the liability issue. Repairs are up due to a number of factors including the main boiler, a burst pipe in the car park and the last pieces of expenditure on the hall & stairs.

On Pages 5 and 6 are the broken detail for page 4.

There is nothing in Football, Cricket or Hockey which has any material affect on CALSA accounts and their respective accounts are presented to their respective section meetings.

CALSA Expenditure Overheads (as seen on page 6) continue to be strictly controlled. All the day to day running expenses have close attention by Nigel, and he continues to challenge suppliers on costs whenever contract periods end.

On to the Balance Sheet, Page 7. You need to read the Notes on page 8 to clarify the Balance Sheet information on page 7. To a large degree most of the figures have no relevance to the day to day running of the Association, however the important figures are the CALSA bank accounts being £24,495 and £13,884, and the Squash bank account with almost £45,000, which reflects their commitment to the Extension project, but more of that later.

Overall this set of financial accounts is considered by the Committee to be an acceptable financial position.

And now any questions that people want to pass my way, I will try my best to answer ?

There were no questions.

## **7 Presentation on the Extension Project**

Stephen gave a presentation, having circulated the following document to all members present and most others:

“The following is a document to support Resolutions A which will be presented and voted on at the AGM on the 27<sup>th</sup> November.

These resolutions seek to revise the approvals given by the members at the Extraordinary General Meeting held on 8<sup>th</sup> May 2019 to reflect increased costs of £111,000 identified since that date.

The resolutions are as follows:

A1 That the CALSA Management Committee should be authorised to oversee this project and to spend up to £561,000 on it.

A2 That the CALSA Management Committee should be authorised to raise up to £561,000 to help fund the project.

### **A – Starting Point**

The following resolutions were approved at the EGM.

1. That the Association should proceed with the ‘Expansion Proposal’ to:
  - build an extension to the Clubhouse;
  - install a fourth squash court;
  - install and equip a gym;
  - suitably equip the new upstairs room as a multi-function room;
  - relay and refurbish the changing rooms and showers;
  - incorporate a lift and a disabled toilet.
2. That the CALSA Management Committee should be authorised to oversee this project and to spend up to £450,000 on it.
3. That the CALSA Management Committee should be authorised to establish a ‘trading subsidiary’ to operate the gym and to issue shares in that company.
4. That the CALSA Management Committee should be authorised to borrow and/or raise up to £450,000 to help fund the project

### **B – Current Position**

During the work to getting to the tender a number of issues came to light that have escalated costs and led to a need to revise the budget to complete the project. One of the largest is discussions with HMRC over the treatment of VAT. That has added £35k to the up front costs, vat we cannot recover, but means our income streams will be improved by £8k p.a.

These building issues include, but are not limited to; the need for a new complete fire detection and alarm system, a steel and concrete floor between the gym and function room, replacing existing surface water drainage system, additional air conditioning for gym and installation of acoustic rated doors between the existing bar and new function room.

All of those additional requirements have been reflected in the five tenders which varied between c£450k and c£780k. However, the cheapest excluded the required items marked with an \* in the table below.

Having reviewed the cheapest tenders in fine detail with the QS (Quantity Surveyor) engaged on the project, we identified a few acceptable options for cost savings, several others offered by the QS were rejected as they compromised on quality of finish and longevity of the investment in the building. For example, it is accepted we don't need a fence around the car park, but we would not accept either inferior quality floor coverings, reduced lighting or fewer showers.

### C – Revised Budget

Subject to formal agreement with the preferred contractor the revised budget would be :

|                               | £              |  |
|-------------------------------|----------------|--|
| Main Contractor               | 435,000        |  |
| Steelwork                     | 14,000         |  |
| Squash Court *                | 14,000         |  |
| Non Recoverable VAT           | 35,000         |  |
| Professional Fees             | 8,000          |  |
| Professional Fees To Date     | 15,000         |  |
| <b>Total Further Spending</b> | <b>521,000</b> |  |
| Contingency                   | 40,000         |  |
| <b>Total FOR AGM Approval</b> | <b>561,000</b> |  |

### D – How To Raise The Money

It is possible to pay for the additional costs of the project without any additional borrowings or any additional risk to CALSA or its members. In fact for reasons set out below, borrowings will be less than indicated at the EGM.

The table below shows a comparison between how the £450,000 was going to be raised and how the £561,000 would now be raised.

| Original £k |  |                     |    | Revised £k |                            |
|-------------|--|---------------------|----|------------|----------------------------|
| 25          |  | Squash Funds        |    | 45         | In the bank                |
| 25          |  | CALSA Funds         |    | 45         | In the bank                |
| 200         |  | Promissory Notes *  | 3% | 120        | List of investors in place |
| 50          |  | GymCo Limited       |    | 125        | List of investors in place |
| 100         |  | Local Investor *    | 5% | 100        | Agreement drafted          |
| 25          |  | Bank Overdraft *    |    | 25         | Indicative approval        |
| 25          |  | Brewery Loan *      |    | 25         | Indicative approval        |
|             |  | Sport England Grant |    | 50         | Approved and signed        |
|             |  | Lady Hastings Grant |    | 12         | In the bank                |
|             |  | Bricks & Tiles      |    | 7          | List of donators in place  |
|             |  | Fund Raising        |    | 7          | In the bank                |
| 450         |  | Total               |    | 561        |                            |

The key thing is that compared with the proposal at the time of the AGM, the amount of funds involving risk of liability to CALSA has actually reduced from £350k to £270k. These items are marked with a \* above. However, probably more importantly, the personal liability to members has been effectively removed as the bank and brewery would only ever take action against CALSA. In addition the local investor loan agreement specifies no action possible against any member and the promissory notes would require members to take action against themselves.

### E – Can The Project Be Deferred

The simple answer is yes. We can retain planning permission for up to six years, but the issues identified in the tender process will remain.

However, we would need to hand back the Lady Hastings grant and give back notice on the Sport England grant. The chances of securing these again for a future project are significantly reduced.

We believe the tender from the preferred builder reflects a position he is in through a deferred contract. The QS believes the price is extremely competitive. He has a proven track record and passed due diligence.

The reality is the present opportunity is unlikely to arise again in the future unless a generous benefactor or benefactors suddenly pops up !!

So, deferring probably means accepting increased costs of the project and a need to raise more borrowed funds to achieve it.

## **F – Do Nothing**

We all know do nothing doesn't really mean do nothing.

If we say it's never going to happen we have to deal with "business as normal". This means that certain issues we were aware of before the project started, and certain items that have emerged during the project requirements to date will still need addressing. In addition, there are items that are not essential, but again were going to get picked up and delivered as part of the project. Where possible I have tried to put a cost to each of those items, the cost being that assessed during the tender process. If they were to be addressed outside the project they may prove to be costlier, although it is possible that cheaper solutions would be available.

|                                     |        |
|-------------------------------------|--------|
| Asbestos removal                    | 8,000  |
| New ceilings and lighting           | 3,000  |
| New fire detection and alarm system | 8,000  |
| Roof drainage and soakaway          | 5,000  |
| Lift and disabled access            | 40,000 |
| Disabled toilet                     | 10,000 |
|                                     |        |
| Total                               | 74,000 |

## **G – Recommendation**

We have an opportunity to deliver new facilities and a first class set of improvements at a price we can afford to commit to. We will deliver an enhanced facility for existing members and the local community. We will need to increase the spend, but we know why and these are all justifiable and we will have a fixed priced contract. The risks all round are significantly less than when the proposal was approved at the EGM.

Because of new funding sources, including £62,000 of grants and the set up of the gym as a SEIS (Seed Enterprise Investment Scheme), we are reducing the debt required by CALSA to fund the scheme.

Potential revenue streams have also increased as we now will not need to incur a vat charge on gym membership (equates to +£8k p.a.) and we have had strong enquiries for hiring the function room that equates to +£10k per annum.

The recommendation of the Management Committee is we increase the approved budget from £450k to £561k."

There were no questions from the meeting attendees.

## **8 Presentation on the Nets Project**

Steve James gave a presentation on the 'Nets' project.

There were no questions from the meeting attendees.

## **9 The Special Resolution**

Doug old explained the reasons behind the Special Resolution.

There were no questions from the meeting attendees.

## **10 The Voting on the 2 Resolutions and the Special Resolution**

Doug old explained the process and how the count would be overseen by Graham Brown – a neutral observer.

Doug reported that the results were:

|   |                 |
|---|-----------------|
| Resolutions A – the extension                 | 94.6% in favour |
| Resolutions B – the nets                      | 94.2% in favour |
| Special Resolution – the constitution changes | 97.8% in favour |

There were 187 votes cast of which 13 were ‘spoiled papers’

The Chairman therefore declared that all 3 had passed the 75% requirement and had, therefore, been approved.

## **11 Election of President**

11.1 Ken Peaker - proposed by Stephen Widdison and seconded by Matthew Cooke. Approved.

## **12 Election of Officers**

12.1 Chairman - Nigel Cooke - proposed by Ken Peaker and seconded by Stephen Widdison. Approved.

12.2 Secretary - Doug Old - proposed by Stephen Widdison and seconded by Ken Peaker. Approved.

12.3 Treasurer - Stephen Widdison - proposed by Ken Peaker and seconded by Nigel Cooke. Approved.

## **13 Election of Independent Financial Reviewer**

13.1 Anthony Kettlewell was proposed by Tim Hall and seconded by David Ball. Approved.

## **14 A.O.B.**

Stephen made the following remarks after the results of the votes were announced:

“ Well we got there in the end.

Now my job is to reward the faith that you have put in me as project manager and deliver on the promises. If that doesn't sound like Boris Johnson on the 13th December nothing does !!

Before I go on to next steps, I would like to say a few thank yous to people who have helped the project get to this stage.

Firstly, the person who repeatedly keeps telling me “don't worry I have a builder, I have an engineer, quantity surveyor, tinker, tailor, soldier, candle stick maker who I know can

do that for us and it won't cost much, in fact he owes me a favour so may do it for free".  
Matt Ferguson.

Jon Spooner, who has done a significant amount of work building the financial model and ensuring my figures stack up under scrutiny.

Carl and Paul Tomlinson, who own a metal fabrication company, a real bonus when you need 20 tonnes of steel

All the people who have agreed to invest in GymCo, the company being set up to run the gym ..... those that have agreed to loan their money via the Promissory notes ..... and to both sets of those people I'll be writing to you tonight to say now is the time to make that bank transfer

And if anyone has been holding off and now wants to invest, please grab me afterwards or contact me as soon as possible.

There is also a group of people who have pledged to "buy a brick" which is not a brick it's a circle... Thankyou, .....but you can hang on to your money for a few weeks, but I won't forget. And yes of course anyone who wants to pay £100 can still have their name in lights.

Louise Robinson, who I have now been promising for a year that she will get to run the best gym in the area. Your wait is nearly over, you can now open the application list for members.

The CALSA Management Committee who have at times challenged me, encouraged me, questioned my sanity, but above all supported me .... thankyou.

And to every single person who has taken the time out in the bar, behind a squash court, whilst I have been roaming the streets of Wetherby in a daze .....or ..... in my place of refuge .... Costa in Wetherby.....to share their occasional words of support and encouragement ..... those words have made it easier to come through the challenges.

And as they say in all good speeches..... last but not least, there is one person who has suffered through it all. The one who has not complained when I've disappeared to meetings at the most inconvenient times, when I've taken another phone call in the middle of a conversation, when I've disappeared to sit in front of my computer for another hour because I promised to send something else urgently to someone ..... and the list just goes on. So to Christine, my tolerant patient wife ..... Thankyou.

so on to next steps, the exciting bit.

All the money needed to see the project through will whizz round the internet banking system overnight and early in the morning.

The contract will be signed with the builder in the morning.

The first part of a massive communication programme will start tomorrow. I will make sure everyone who needs to know knows .....and everyone who wants to know knows ..... what's happening and when. If you need to know more than you are told, please ask.

The builders start on site this coming Monday.

There will be disruption.

There will be inconvenience.

However, disruption and inconvenience will be minimised.

Interestingly, I have already received a few enquiries from people wanting to join the gym. I will start working on membership application strategy with Louise straight after this meeting, but what has been agreed is that the first 10 life memberships will go on a first come first served basis for £2000.

So it's onward and upward from me This is a big step forward in the future of CALSA. .... In answer to all those people who have asked me what can they do to help ..... First and foremost ...be patient, be positive and above all be supportive and tell others to be the same."

There being no other business the meeting ended at 9.30pm.

Approved by:

..... Chairman

..... Secretary