

BARLOW CHARITY

Annual General Meeting – 23rd May 2018

Present:

Jonathan Mather (in the Chair)
John Brunt, Brian Gorski, Philip Grundy, and Alyson Whitlock
John Harwood (General Manager), Glenys Syddall (Secretary), Clare Jady
(Independent Examiner), and approximately 100 members of the public

Apologies

Apologies for absence were received from John Catterall, Steve & Joyce Danks and Sue Wilson.

Minutes

Q. Why was a draft shortened version of the 2016 accounts presented at the AGM held on 12th April 2017, yet a much longer documents was sent to the Charity Commission in September 2017, in which some of the figures had been altered?

A. The headline numbers were the same, although there had been some adjustments to the allocation of headings. No issues had been highlighted by the charity's previous accountant, who has since withdrawn from charity accounts. The independent examiner undertook to contact the previous accountant for an explanation of the changes.

It was proposed that a meeting be called with the previous accountant and all those interested to explain the changes.

The board agreed to try to do this within the next three months.

After a show of hands, the minutes of the annual general meeting held on 12th April 2017 were not approved.

It was requested that the minutes of this meeting be made available on the website within one month.

Chairman's Report

The Chairman reported that the last year for the charity has been a year of consolidation but has certainly not been without its own challenges.

At the last AGM he had reported that the charity had been awarded a grant by HLF to go through a resilience process to set the charity up for any future funding projects and help us to understand how we might proceed through the funding process. That work took longer than anticipated but was well worth the effort and time as it has given a much clearer view of how we might be successful and the most beneficial way to approach the process. He posted a statement in December explain the outcome of the resilience and the plans going forward. These are now in place and will be moving forward at some pace. A Development Strategy Group has been put

together that will manage the portfolio funding approach that is being adopted in the light of findings during the resilience process.

Operationally the structure that the volunteers now work with has been working well and with further improvements will help the lines of communication as regards the management and development of the Barlow building. The Saturday morning café and library continues to thrive, raising £7600 this year, as do all our volunteer led events and user groups. He thanked all who manage and take part in these activities.

The introduction of The Reading Room coffee shop has been a success as it gets busier. It is now open seven days a week and introduced food just this February. This introduction has seen a significant increase in visitors and is proving to not only provide a meeting place in the village but keeps the building open throughout the week when at times it would be closed or under-used.

Consultations are still ongoing with both sports clubs regarding working collaboratively but this still proves to be a complicated and sensitive topic the trustees are committed to.

During the resilience process it became apparent that if the charity was to go through this project process then the board and charity as a whole was not sufficiently protected under the present scheme or constitution. The Board has been advised and agreed that the charity should convert to CIO or Charitable Incorporated Organisation. This will afford the board and the charity a greater degree of protection as we move through the funding process and take on contracts. The new constitution or CIO has been made available available through the web site and attached to a statement put out prior to this meeting. This is very important and, in the board's view, essential to the future of the charity.

As part of the resilience project the board has changed some of its processes and improved the way meetings are conducted. This is an on-going process and improvements can always be made. There is now a code of conduct and full terms of reference for trustees. This will improve governance and hopefully inform new trustees of the role of the trustees and their priorities.

The board had had two resignations. Richard Cort resigned in April due to work commitments and Lee Parker resigned in February. Following those resignations, the board co-opted Brian Gorski and John Brunt. Both have extensive experience in trustee roles and were happy to help assist us through a difficult process. Some or most of the people here will be aware of the circumstances of Lee Parker's resignation. That resignation followed an investigation, several discussions and his suspension as a trustee. The process is still on-going and we hope for a resolution within the next couple of months.

As many will be aware by now, the charity received a substantial donation from the Barlow family of £225,000. As the meeting with the volunteer leads and the chairman's announcement in March stated, there is no stipulation or conditions as to how this money must be spent. It is the board's position that this is best used as

match funding for the developments in the building and around the estate. This will help us to achieve the goals we have set and speed up the process of grant funding.

The upcoming years for the charity and the estate will be exciting and challenging as we move forward with the plans. He was sure we can rely on everyone's support and commitment.

Q. Why is there no reference to the accounts and the report of the Independent Examiner?

A. This is to be dealt with separately in the meeting.

Q. There has been no feedback following the public consultation on the development plans. How much did it cost in architect's fees?

A. It cost around £35,000 for all the consultants' fees, all covered by the resilience funding.

Brian Gorski spoke of the Heritage Lottery Fund's recommendation that a resilience application be made in the first instance in order to justify whether there are sufficient heritage grounds to apply for HLF funding.

In order to ensure a high standard of governance, trustees were given training, and consultants made recommendations, including the desirability of a CIO.

A business case was produced by AMION, which suggested how to take things forward and how to generate income to support the Barlow and the estate in the future.

The outcome of the resilience work led Sara Hilton (former CEO of HLF North West), to conclude that there is not sufficient heritage to justify a full £1.2m bid, particularly as the HLF had recently announced a reduction in its income and a freeze on funding of over £1m. It has therefore been decided to have a portfolio approach to funding, including a smaller bid to the HLF, and a team is now looking at the way various individual projects could proceed.

The plans take into account the views of the majority – about 80% of those who commented were in favour of them.

It was suggested that volunteers could do some of the work, particularly in the woodland. This is certainly the case, and donations of materials will also be sought.

Brian apologised for not providing feedback on the website and agreed to do so.

Q. Is the woodland to be flattened to make a playground?

A. No.

Q. There continues to be poor communication with volunteers and Friends.

A. It is accepted that there should be more communication, and the board will try to improve this.

Q. Why are the consultant's reports not available on the website?

A. They will be once the HLF has accepted the final report submitted and agree that they are happy for them to be published.

Q. Why was the research undertaken on the heritage of the Barlow ignored?

A. It was included in the report to the HLF.

Q. Why was money spent on consultants when it was clear that there was insufficient heritage?

A. This was not clear until January this year when all the reports were available.

One member of the public spoke of her shock at the hostility towards the trustees, as they are all volunteers who put in a great deal of their own time. She appealed for a spirit of friendliness and cooperation.

Accounts

Accounts for the year ended 31st December 2017 were presented by Clare Jady, an independent examiner.

She apologised for the delay in producing the accounts, but there had been difficulty gaining access to software previously used, and everything had to be started from the beginning again.

Under charity law and the Barlow charity's constitution, the accounts are not required to be audited. However, books, records and systems have been examined to ensure proper records are kept.

A qualified opinion has been given, as it is not considered that the charity has kept adequate records in relation to some income, and there is a need for a book keeping role. There is no suggestion of fraud. In addition, there might be a VAT liability which is not shown in the accounts. She is, however, happy that the accounts give a good picture.

In terms of the figures, restricted funds may only be used for a specific purpose; for example, the HLF resilience funding.

Income from the Reading Room has increased considerably, as it is the first full year of operation. Although costs have also increased, there is a good profit margin of around 50% after deduction of wages. With wages, it just breaks even, but may grow in the future.

The Saturday volunteer café continues to bring in a good income, as does fundraising.

Resources expended include additional independent examiner's fees from the previous year, plus legal and professional fees largely covered by the HLF funding.

Depreciation relates to the cricket and bowling clubhouses and the defibrillator.

The money contributed by the Friends over the year is referred to as 'roof fund'.

Overall, there is a surplus of £6,306 over the year.

The independent examiner went on to answer questions:

Q. it would be helpful if the accounts were available one month before the AGM.

A. Around a month is usual practice but there had been unavoidable delays.

Q. The money contributed by the Friends is for development, not just for the roof.

Q. Why is rent from the cricket club not shown?

A. There is an accounting adjustment. VAT invoices are issued but there is no income or expenditure for the charity.

Q. There is a net loss of rent to the charity – a long outstanding issue.

The ECRC chairman responded by explaining that funds for the clubhouse were raised by the cricket club members. The club is a not for profit organisation and maintains the pitch, at a cost of £9,300 per year. The club is working closely with the trustees and is close to signing a collaborative agreement which will result in money being paid to the charity for the benefit of the charity.

Q. Can you assure volunteers that the Saturday café takings are not being used to subsidise Reading Room losses?

A. The Reading Room makes a small surplus, so is not being subsidised from anywhere. It is intended as a charitable community facility and is not aimed at making large profits, although income could well increase.

Q. Can the bar and coffee bar figures be shown separately?

A. This makes no sense. They are both largely operated by the same staff, and alcohol, coffee and snacks are served at the same time, so in order to split takings, the till would have to be interrogated at the end of each session.

Q. Is opening the Reading Room seven days per week with paid staff cost effective?

A. Before the Reading Room coffee bar opened, there were often times when there was nobody in the building. The Reading Room provides a space for people to come and meet. It has taken £32,000 in the first five months of the year.

Q. Can income from weddings and events be shown separately?

A. Attempts could be made to do this in next year's accounts.

Q. Could profit and loss figures be provided for the Reading Room?

A. This would entail work to pick out sales, wages, running expenses.

Q. Could quarterly accounts be made available on the website?

A. This is unusual for a charity and would involve a lot of effort.

Q. What does the VAT liability involve?

A. It is unquantified at this stage. It is intended to approach HMRC with a best estimate of liability.

Q. Are there any disclosures about connective transactions which benefitted a trustee?

A. There were some arm's length transactions involving a former trustee, but the explanation is satisfactory.

Q. What proportion of the legal fees relates to the HLF bid?

A. 83% relates to the HLF bid, and the funding could not be spent on anything else. £5,700 relates to the charity generally

Q. On what basis was Hull Jady appointed?

A. Hull Jady appear to have relevant charity accounting experience.

Q. Are the trustees willing to accept the accounts?

A. Yes, on the advice of the independent examiner.

The independent examiner concluded by saying she had found it easy to work with the trustees and is confident that nothing has been hidden.

After a show of hands, the annual reports and accounts for 2017 were not approved.

The independent examiner explained that by not approving the accounts, the charity was left in limbo and could incur further accounting fees, which may not provide further answers.

Charitable Incorporated Organisation

A draft Charitable Incorporated Organisation (CIO) document had been circulated prior to the meeting.

A CIO is recommended by both the Charity Commission and the HLF consultants and is designed specifically with charities in mind. It has the benefits of limited liability for trustees, easier to recruit and train trustees, and an improved legal framework.

There are two models – associate and foundation. The foundation model is more director led, and the associate model fits better with the Barlow charity.

Q. How do the CIO and the current scheme compare?

A. It is more detailed, but the main differences are membership and trustee liability.

Q. The CIO is a positive move and will encourage more people to stand as trustees. However, it appears that the CIO would become the custodian of the land, not the Parish Council.

A. The CIO does allow that, but it does not necessarily have to be the case.

Q. What does it mean by retention land and property ‘bequeathed from time to time’?

A. The trustees have already agreed to strike this out, unless advised by the charity’s solicitor or the Charity Commission that it is necessary.

Q. The CIO is silent on the fact that the original beneficiaries are the inhabitants of North Turton.

A. It is the intention to reflect the original charitable document, but it is felt membership should not be restricted to North Turton as many volunteers and users live outside the parish. If this is absent in the draft, it will be amended.

Q. Would there need to be a register of members?

A. It would be similar to membership of a foundation hospital trust – people would merely need to apply via the website or other means.

Q. The CIO has got a fair bit of mileage in principle, and a register of members would make it easier to communicate with the wider population.

Unencumbered property (ECRC/EBC clubhouses) would become corporate property and would have to sit within a Trust within the CIO.

A. This will be taken on board.

Q. The ability of members to generate a resolution at an AGM has been omitted.

A. It has not knowingly been omitted and will be looked at.

Q. It is hoped that provision for at least two Parish Councillors will continue, as it allows the possibility of a loan through the Public Works Loan Board.

Legacy governance issues must be resolved before moving to a CIO, including VAT and leases, which need to be amended and made available for scrutiny.

It was proposed, seconded and agreed that once legacy issues have been resolved, a further meeting be held to consider the CIO.

Election of Trustees

Q. In what capacity were John Brunt and Brian Gorski elected?

A. They were co-opted to fill vacancies.

Q. Has Brian Gorski been paid?

A. Yes, from the HLF resilience grant as a consultant, but prior to his being co-opted. John Brunt was also a member of the resilience project, but as a volunteer.

All five existing Trustees confirmed that they would be willing to continue to serve. In addition, David Knight and Andrew Waller had been proposed and seconded. As there were only five places available under the Charity Scheme, as amended at the 2016 AGM, a ballot was necessary.

It was pointed out from the floor that this would entail losing two Trustee positions, which would then need to be filled should the CIO be introduced.

It was moved, seconded and agreed that the AGM be adjourned until a later date, for the sole purpose of a ballot.

The meeting ended at 10.20pm