



Report from the Finance Committee on Wednesday 24th February 2024

Members Attending: Asst. Mark Wheeler (Chairman), David Adams (Master), Charles Brooks (Upper Warden), Sandra Raine (Renter Warden), Nick Jones (IPM, Chairman of Investment Committee), Janet Rivers (Senior Assistant), Michael Cooper (Assistant), Damon Reynolds (Assistant) and Kevin Thomas (Steward).

Apologies were received from IPM Paul Nash. The Chairman welcomed new Committee member, Assistant Damon Reynolds.

1 Minutes of the last meeting

- The Minutes of the meeting of the of 7th December 2023 were approved and signed.

2 Matters arising

- Capital Reserves Policy the Master was disappointed that there was no annotated, updated paper tabled at the January Court. However, a working party had been formed and further discussion was held over to later in the agenda.
- Asst. Reynolds asked if committee papers could be available as a standing resource on a platform such as Dropbox.

ACTION: This idea to be taken to the next meeting of Freedom & Livery.

3 Root and Branch review of finances – revisited.

- The Master outlined those circumstances had changed since the last review in September 2023, requiring more urgent action.

Income

- Corporate members

It was noted that the budget had assumed nine Corporate members during the year (with total income of £27,000) whereas there are now only six (£18,000 receivable) with no strong prospects for this growing. While the whole model of Corporate membership may be revisited over the next year or two, income looks like being lower for the current financial year.

- Admission Fee

The admission fee (currently £95) was uncommonly low, most other Companies charging many hundreds of pounds.

ACTION: there would be a recommendation to F&L to make a step-increase to admission fees, moving into the range £250-£500 but offering a 50% rate to under 40's.

Cashflow:

- Withdrawals from the investment portfolio

These exceeded income generated over the last year.

ACTION: A new policy would be introduced that withdrawals would in future be signed off by the Investment Committee. Members of the Investment Committee to inform the Finance Committee of the withdrawals within the previous quarter.

- Committee members noted that the current budgeting process did not include cashflow analysis.

ACTION: Std Kevin Thomas had started to produce 5-year Profit/Loss, Cashflow and Balance Sheet forecasts as a forerunner to revising the Capital Reserves Policy.

Expenditure

- Office Rent

It was generally recognised that the Company is paying for a meeting room that does not have high utilisation although providing useful storage.

ACTIONS: The committee agreed that office accommodation could be downsized subject to a meeting room being fairly easily available.

(i) Clerk to contact Vintners/Carpenters to see space that may be available, also liaising with our neighbours, the Clockmakers' Company.

(ii) Clerk to contact all Livery Companies to see if there is suitably economical accommodation available now or over the new 12 months. Were an opportunity to present itself, the Clerk would refer, in the first instance, to the Executive Committee which would be supported by a Liverymen (to be identified) involved in property. It is known that the Engineers Company pay around £17k to have an office and storage at Saddlers' Hall.

(iii) Asst. Reynolds to undertake a book-exercise to gauge the cost of equivalent commercial accommodation in the City, the Clerk providing information about present square footage.

Staff salaries

- Potential to review needs in conjunction with the office move.

ACTION: Looking at the potential of having more volunteers in the Company undertaking occasional modest/process roles in the Company office.

Accountancy fees

- Review the fees for accountancy services and independent examination provided by Myers Clark who have long prepared annual accounts, both for the Company and the Charity.

ACTIONS:

(i) Clerk to check the Company ordinances to see if there is a requirement for an audit or an independent examination.

(ii) Std. Thomas to work with the Clerk with a view to putting the work out to tender (a 'beauty parade'), the Clerk checking with Trustees that the Plumbers Charity would be happy to be associated with this review. It is hoped that a short-list could be presented to the next meeting of the Finance Committee with a view to make a (potentially) new appointment.

4 Management Accounts

- Management accounts for the 3 months to 31 December 2023 were tabled. The Clerk noted that there was little to determine by way of trends at this stage in the financial year but that there were no dramatic variances in the period.

ACTION: Costs associated with the Lord Mayor's Show were now annual and would therefore be taken out of 'exceptional items' and put into regular expenditure.

5 Capital Reserves Policy

- A small working party was established (comprising Std. Thomas, the Master, the IPM, PMs Gale and Jones and Asst. Wheeler). and Std. Thomas was invited to work on a draft Capital Reserves Policy. Two meetings have been held since, 5-year models and forecasts produced.

ACTION: Asst Wheeler to produce a "Work in Progress" Report to the Court.

6 Any other business

Time did not allow discussion of the 'Strategic Actions for Committees' and 'Livery size', both held over to the next meeting.

The Chairman thanked all for their contributions to the meeting which concluded at 13.20.

2024 meetings: to be held Carpenters' Hall / mixed mode.

Tuesday 14 May at 1200

Wednesday 11 September at 1200

Thursday 5 December at 1200

Asst. Mark Wheeler, Chairman