

Minutes of the 13th Annual General Meeting of The Guildford Institute

Wednesday 23 February 2022, 3.15pm, Assembly Room, The Guildford Institute

Welcome and Introductions

The Chairperson of the Board of Trustees, Brian Creese, welcomed 'The Worshipful Mayor of Guildford' Councillor Marsha Moseley, who is patron of the Institute during her term of office.

Quorum

Brian Creese confirmed that the quorum requirement (one 25th of the membership) as set out in the Articles of Association had been satisfied, with the minimum of 10 voting members present. *N.B. Only members are allowed to vote.*

Proxy Forms & Applications for Membership

By the deadline of 10.30am on Monday 21st February we had received seven proxy forms – a list is featured at the end of this document. All membership applications received during the year had been approved by the Board of Trustees.

AGENDA ITEM 1: Approval of Minutes of the meeting held on Friday 8 November 2019 and matters arising

The minutes of the last annual general meeting held on Friday 8 November 2019 were approved. There were no matters arising.

AGENDA ITEM 2: Report of the Board of Trustees

The Chairperson presented highlights of the Trustees' Report 2020 - 2021.

A great deal has happened since the last AGM in 2019. The pandemic meant that the Institute was closed for a total of 10 months. The Chairperson praised the efforts of the team for ensuring that the Institute recovered so well. Whilst the pandemic has been financially difficult, it has enabled the Institute to evolve. The staff have been exceptional in rising to the challenges of the pandemic, with online courses running within a week of the initial lockdown announcement.

Since the last AGM we have developed a new strategic plan for 2021 – 2024, to be achieved by focusing on our: Offer, Space, Image and People.

Offer – The use of Zoom allowed us to keep going throughout the closure periods by offering our programme online instead. As a result, we have been welcoming students from all over the UK, and abroad. The Chairperson thanked the staff team and tutors for allowing all of that to happen, and to the students for embracing new technologies. Since reopening in June 2021, the Institute has also offered some activities in a hybrid format (Zoom and face to face simultaneously).

Space – We have experienced a sobering loss of room hire revenue: £56,000 down to £3,500. The pandemic also affected income from tenancies on the second floor. Damp issues are ongoing, and expensive to resolve. However some redecoration and improvements were made to the building since the last AGM. The low-budget refurbishment of the Library has been particularly successful, and is proof that it is possible to upgrade the building at low cost.

Image – Our Marketing and Communications Officer, Emma Wilkinson, is dedicated to working on the Institute's brand and marketing; this new role has had a huge impact on the Institute. Amongst many other activities, Emma has been able to explore paid marketing through social media channels. We have also trialled more 'off-brochure' events, which have been very successful. Programme Manager Chelsea Eves was part of Surrey Day in May 2021, and was interviewed on local radio station BBC Surrey, helping the Institute to gain more exposure. Institute Manager Amy Rice is now also part of the Board at Experience Guildford, which means the GI has more dialogue with other local businesses than it did previously.

People – Staffing levels reduced during Covid and we are now looking to recruit a new Caretaker to support the team once again. Following the pandemic, we only have one member of staff who works evenings and alternate weekends. There have also been a number of changes to the Trustees. Brian Creese became Chairperson in August 2020 and Lisa Taylor became Vice-Chairperson. We also have two volunteer Interns working with the professional team, Megan Rafano and Rebecca Hodges, who help enormously to support GI activities whilst also gaining experience to help them in their future careers.

The Royal Bank of Scotland (RBS) – The bank has announced that it is closing its branch from March 2022. Unfortunately, we have had minimal communications from the bank thus far. We should stress that we have not been formally notified that they will be leaving. We anticipate that we will receive their notice on or by 26 March. On average over the last 5 years we have received £88,000 p/a from the bank and therefore there will be a considerable impact from losing this income.

RBS' lease expired in 2020 and although new heads of terms had been negotiated, the bank would not commit to signing these. As a result, the bank has a 3-month rolling notice period. Given the above, we have been preparing for this eventuality for some time now. We have financial reserves and a dilapidations surveyor on board who has already undertaken work for us to prepare to take possession of the space again. Our solicitors and commercial property agents are also on board. We cannot act however until we are formally notified. We anticipate that the bank will do as little as possible regarding dilapidations, meaning that we will need to negotiate and it is likely that there may be a financial settlement.

A key focus for the Board of Trustees and professional team has been considering what to do with the space, with all options being considered. Due to the loss of revenue involved (£88,000); we are not able to make this shortfall up from our own activities. We will therefore be looking initially to replace RBS with a new tenant in the short term. We hope in the future to be able to reclaim the whole space for our own activities and gain the valuable North Street frontage. We wish to avoid having the space empty for a long time. We will use the bank's departure as a reason to improve the Institute's signage on the exterior of the building and we are liaising with our architect on this.

Looking forwards: We have some challenges ahead, but we are continuing to push on and plan for the future, offering more and more opportunities. A big thank you to everyone for helping us through this period. Particular thanks were given to the Members who have continued to support us during this difficult time.

No vote – questions were left until the Member Forum.

AGENDA ITEM 3: The Financial Report of 2020-21

Treasurer Mike Kirby delivered the Financial Report of 2020 - 2021.

Income: Overall revenue has declined from £368k in the year to July 2020 to £233k in the year to July 2021. The major contributors to this fall were:

- an almost total absence of events/institute activities, which reduced income by £10k;
- a reduction in course revenue of £30k, largely due to the closure or reduced ability to utilise the physical space in this building;
- a reduction of over £33k in room hire revenues and a £16k reduction in second-floor rental income for the same reasons.

We have been grateful to receive some generous legacies, including one of £50k, which have helped to stabilise us. The average revenue of the last 5 years, excluding that legacy, was approximately £320k. Adjusting for that legacy income, there was a shortfall of just under £90k between 2020 and 2021.

Our activities and room hire were hampered by the closure periods related to the pandemic, however we were fortunate to receive a number of Government grants through Guildford Borough Council. Grants and furlough scheme receipts which started in the year to July 2020 were £3k higher in 2021 at £42k, and virtually non-existent prior to 2020. There are further such receipts in the current year, but they will not continue for much longer.

Expenditure: Our largest expense by some margin is people costs (our wonderful team of employees). That cost was £133k, which represented some 58% of total expenditure in 2020-21, although the furlough scheme helped to reduce this. In a more normal year these people costs would have been about 45% of our total costs and we would aim to return to that level in the next few years.

Tutor costs were down by roughly £7k as fewer courses were held, but, as mentioned before, revenue from courses was down by £30k, so the net contribution from courses was down by £23k and the margins on courses fell from 62% to 54%, mainly due to fewer numbers participating.

Substantial cost savings have been made in many areas, such as utilities, advertising, bar costs and cleaning, as the building remained closed or with restricted use for much of the period.

Repairs and Renewals on our building were just over £10k in the year, down from £20k the previous year. This varies from year to year and is unlikely to be lower than 2021 for the foreseeable future. We have a substantial reserve of £75k set aside for works on the damp issues.

Our revenues exceeded our costs by just under £3k, which contrasts sharply with an excess of over £78k in 2019-20. *(A reminder that the 2020 figure was distorted by the very generous legacy that we received.)*

Looking ahead: We anticipate an increase in programme-related revenue, but room hire and rental income have yet to recover to anywhere near pre-pandemic levels. We predict that this will take at least 12 months. We will also lose the RBS rental income before the financial year has finished.

Balance sheet: There are two assets of note:

1. The building and other fixed assets shown at just shy of £700k. We have not undertaken a formal valuation of the building, mainly due to the cost of doing so.
2. Our cash balance was £407k at 31st July last year, almost unchanged from a year previously. Whilst it is healthier than a few years ago, we will be impacted by the loss of rental income from RBS and the future damp works. Without considerable fund-raising efforts, that cash balance is unlikely to be as high in future years as it is now.

Summary: Our reserves stand at £1,041,000. Of that, £470k are the 'restricted' or building funds. Within the 'unrestricted funds' of £571k, there is a designated fund of £75k set aside to address the damp issues and a further £496k of general funds.

An estimated £150k has been set aside to cover costs resulting from RBS's decision to move on and £45k is set aside to cover at least 3 months of operating costs. The £150k is a very round estimate. It could turn out to be less, but it could equally be much more if we are unable to replace that revenue stream as swiftly as we would like.

Challenging times lie ahead, but we believe we are in as strong a position as could be expected in the light of recent events.

Questions: Trevor Jones requested further detail on the bar and equipment revenues listed and why equipment sales have made a slightly greater recovery than

bar sales. Trevor also commended staff member Mark Finn for his valuable efforts on evenings and weekends. Amy Rice responded by saying that the evening offer has been very limited by when we have confirmed bookings, as many regular hirers have not returned to the GI. 'Bar Income' is therefore affected by this, whereas Equipment can be used during the day, and therefore can generate further income.

AGENDA ITEM 4: Approval of the move from an Audit to an Independent Examination for 2021-2022

In recent times, audits have moved from a fairly relaxed examination and understanding of the accounts to a very formal and formulaic set of procedures. Auditors are encouraged to take a sceptical attitude to the numbers and proof or positive verification is required from the subject of the audit, rather than just gaining a sound understanding of the accounts and explanations of any unusual items. Auditors have to be qualified accountants with the required further experience to be approved by the Register of Statutory Auditors.

An audit provides positive assurance that the accounts show a true and fair view, while an Independent Examination provides negative confirmation that no material issues have been found to suggest that the accounts do not show a true and fair view.

An Independent Examiner of a charity with revenues over £250,000 can be anyone with an appropriate qualification from any of the UK's recognised accountancy bodies. There are fewer restrictions if the revenues are below that number, while at present a full audit is only required if revenues exceed £1 million. So, effectively all auditors can be Independent Examiners, but only a small fraction of Independent Examiners can be auditors.

We intend to appoint Tony Bennewith of A J Bennewith & Co, who was represented at the AGM by Anne Mellow. Anne has helped us to prepare the accounts and compile the audit for Tony's review for a number of years now. We hope that Anne and Tony will continue to do so in their slightly different roles for the foreseeable future, thus providing continuity and hopefully reassurance for our members.

We hope that the proposed move from an Audit to an Independent Examination will save funds for the Institute and will be less onerous on our professional team. We estimate the likely saving to be in the order of £2,000.

The Board therefore recommends that we move from an Audit to an Independent Examination. This will create efficiencies for the professional team and considerably reduce costs for the Institute. The proposal is to continue to use A J Bennewith & Co.

Vote – move from an Audit to an Independent Examination	
Proposer Name	Graham Thorp
Seconder Name	Trevor Jones
<i>Majority voted in favour, resolution carried.</i>	

AGENDA ITEM 5: Re-election of Trustees

In accordance with the articles of association: *'Directors (trustees) shall retire by rotation at the next general meeting having served for three years. A retiring Director (trustee) shall be eligible for re-election up to a maximum of three sequential periods of office.'*

There are three Trustees who due to stand for re-election at this AGM:

- Lisa Taylor (Vice-Chair)
- Sophie Chapman
- Janet Crowe

N.B. Biographical information relating to these Trustees was issued with AGM papers.

Vote – Re-Elect Lisa Taylor	
Proposer Name	Mike Adams
Secunder Name	Jane Thorp
<i>Majority voted in favour, resolution to re-elect Lisa Taylor carried.</i>	
Vote – Re-Elect Sophie Chapman	
Proposer Name	Lisa Taylor
Secunder Name	Mike Adams
<i>Majority voted in favour, resolution to re-elect Sophie Chapman carried.</i>	
Vote – Re-Elect Janet Crowe	
Proposer Name	Sophie Chapman
Secunder Name	Graham Thorp
<i>Majority voted in favour, resolution to re-elect Janet Crowe carried.</i>	

AGENDA ITEM 6: Election of Trustees

There are three Trustees who were appointed by the Board to serve as Trustees since the last AGM:

- Mike Kirby
- Tom Heasman
- Phil Davies

N.B. Biographical information relating to these Trustees was issued with AGM papers.

Vote – Elect Mike Kirby	
Proposer Name	Tom Heasman
Seconder Name	Trevor Jones
<i>Majority voted in favour, resolution to elect Mike Kirby carried.</i>	
Vote – Elect Tom Heasman	
Proposer Name	Jane Thorp
Seconder Name	Mike Adams
<i>Majority voted in favour, resolution to elect Tom Heasman carried.</i>	
Vote – Elect Phil Davies	
Proposer Name	Lisa Taylor
Seconder Name	Tom Heasman
<i>Majority voted in favour, resolution to elect Phil Davies carried.</i>	

AGENDA ITEM 7: Any other business

There had been no items of business submitted by the deadline.

The meeting closed at 4.05pm

Trustees in attendance

Brian Creese
(Chairperson)
Sophie Chapman

Lisa Taylor
(Vice Chairperson)
David Cheeseman
Tom Heasman

Mike Kirby
(Treasurer)
Phil Davies

Members in attendance

Mike Adams
Brian Creese
Sally Dewey
William Jackson
Phyl Morris
Dorothy Seymour
Joan Smith
Graham Thorp
Carol Werrett

Sophie Chapman
Andy Davis
Tom Heasman
H. Trevor Jones
Veronica Persey
Doreen Shaw
Peter Smith
Jane Thorp
Olive Wholey

David Cheeseman
Phil Davies
Penny Hull
Mike Kirby
Graham Robinson
Belinda Singleton
Lisa Taylor
Anthony (Tony) Walker
Reg Wholey

Patrons in attendance

Mayoress Marsha Mosely

Non-members known to be in attendance

Amy Rice
(Institute Manager)

Chelsea Eves
(Programme Manager)

Amy Mason
(Events Assistant)

Emma Wilkinson
(Marketing & Communications Officer)

Anne Mellow (Auditor)

Proxy voting forms Received

Margaret Clements
Jean Wickens
Walter Willcox

Linda Stevens
Harry Wickens

Margaret Wailen
Jo Willcox

Apologies

Tony Bennewith
Steph Chambers
Janet Crowe
Margaret Wailen
Jo Willcox

Dinah Bisdee
Margaret Clements
Liz Markwell
Harry Wickens
Walter Willcox

Neil Chambers
Mike Clements
Linda Stevens
Jean Wickens
Sue Yearley

Copies of these minutes are available in large font on request