



Highcliffe Residents' Association CIC Annual General Meeting (Part 2)

Monday 6th January 2020 at 7.15pm
at The Old school, 254 Lymington Road, Highcliffe

MINUTES

Present:

- HRA Chairman Ian Hartnell
- HRA Directors Guy Gillett, Ben Lock and Richard Reader
- HRA Executive Committee members Tina Butcher, Kathryn Hartnell, Judie Burman, Joan Rose, and David Underhill
- BPC Councillors Nigel Brooks, Nick Geary and Paul Hilliard
- HWPC Chairman Bob Hutchings and Vice-Chair Andy Martin
- about 60 other HRA members.

Apologies:

- HRA Executive Committee member Mary Reader
- HRA members Roger Lounds & Pat Stokes

1. Welcome

Chairman Ian Hartnell welcomed members to this resumed AGM meeting, which was a continuation of the 9th September AGM following an adjournment to allow time for the preparation of the draft accounts. The establishment of these accounts had been very time-consuming, as only limited records for earlier years had been received from the previous Directors, and several anomalies had emerged. Ian paid tribute to book-keeper Kathryn Hartnell for her diligence in establishing the accounts in these difficult circumstances.

2. Minutes of 9 September 2018 AGM (Part 1)

These minutes were approved without dissent.

4. Financial Review

Kathryn Hartnell said that she had provided all members with a one-page summary of the management accounts, and had provided also several copies of the full draft accounts for members to share. These accounts would also be posted on the HRA website.

The previous Directors had not fully taken into earlier annual accounts a number of factors in the lease of part of the premises to the Rainbow School CIC, including the correct sharing of common costs, the requirement for rent reviews, certain Health and Safety items, and repairs to certain parts of the building. The consequent amount of debt advised to the Rainbow School's insolvency practitioners was in excess of £45,000, and the practitioners had said that this would not be challenged. A few other costs had subsequently come to light, but it was not proposed to revise the stated figure, as the insolvency practitioners had indicated that they did not expect any funds to be available for distribution to creditors. The bad debt had been fully provided for in the previous and latest accounts.

The current HRA Directors had been obliged to seek legal advice as to what should be done in the difficult circumstances that they faced, and the costs of this advice are shown in the accounts. Inevitably these accounts show a loss for the year, but this would have been some £16,000 greater but for the successful efforts of Director Ben Lock in securing a rebate of business rates, and of Director Richard Reader in securing agreement that the unspent balance of an earlier charitable grant could be put towards urgent building repairs.

The Directors had noted that the original transfer document from the DCC to HRA CIC regarding the Old School building contained an Overage Clause. This means that any surplus monies from the disposal of the building must be returned to the Council, after repayment of the mortgage from the Charity Bank. In consequence, the building has no net value to the HRA in excess of the outstanding amount of the mortgage. This was now been correctly reflected in the draft accounts.

The accounts show a net balance of some £10,000. However this does not mean that the HRA has available cash. The bank balance of £12k is outweighed by the outstanding loan of £19k and the company is only solvent because of the illiquid value accounted for in the property.

Ian said that the HRA is therefore not in as healthy a position as the Directors would like, but that it was hoped to reverse this situation over the next several years by letting out parts of the building and by seeking grants for significant renovations to this community asset.

He asked those present if they were happy to approve the draft accounts as now presented. The draft was agreed without dissent.

5. Other Relevant Business

There was no other business.

6. Date of next Meeting

Ian said that the 2020 AGM will take place immediately before the 2020 QMM on 14 September.

Ian thanked all those attending this Part 2 of the AGM and closed the meeting at about 7.30pm.