

LOAN
Board Meeting
Monday 30 January 2023 19.30 hrs

1. Attendees:

Directors: J Spurway (Chair), L Brown, H Buchan, W Levack, R Macintyre, C Palmer, D Robertson, B Thow, B Urquhart, H Wood

Staff: C Crawford, L Manderson, A Warden

2. Apologies: none

3. Welcome: J Spurway welcomed those attending and confirmed the purpose of this meeting was, due to the current financial situation, to agree CDT's immediate priorities.

3. Minutes of Last Meeting: Minutes were circulated by JS who had asked for clarification on a few points. Board agreed that these minutes would be reviewed and addressed at the next meeting.

4. New Members: One application for associate membership was submitted and unanimously approved by the Board.

5. Financial and Operational Position of the Trust

CC advised there are two main things he needs to do: Firstly, regarding the £75k bank loan that was due to be paid tomorrow 31 January, CC and AW met with the bank last week to try to renegotiate the payment schedule. CC advised that the bank have been very supportive, but they do require CDT to produce a five year business plan that demonstrates CDT are able to pay the debt with CC looking at paying the debt over four years. At this length of term the debt payments would be £1.9k per month and the question is whether we can service that.

Secondly, the auditors are on site from tomorrow for the rest of the week and key to their visit is demonstrating CDT is a going concern and that we can operate over the next 12 months.

CC advised the future of CDT depended on him meeting the bank to assure them we can service this loan based on our five year business plan.

CC is meeting the bank later this week and he needs to be confident about negotiating on behalf of CDT.

Colin Crawford provided the Board with an update of the cash position and the 5-year business plan for Comrie Development Trust. He explained the discussions with Triodos Bank on 26th January, and he recommended the Board request him to agree to the £75k CBIL bullet payment being rescheduled based on new terms confirmed. It was agreed that for the benefit and best interests of CDT to authorise Colin Crawford to sign the Agreement to vary the terms (of the CBIL with Triodos Bank) in order to enable CDT to carry on the business.

The Board voted unanimously to authorise Colin Crawford to agree to the £75k CBIL Bullet

payment being rescheduled and authorised Colin to sign the Agreement to vary the terms.

Relevant points about the bank loan: The interest rate would be 9% and whilst CC will try to get this down, but this seems to be a reflection of the risk that the bank identify with CDT. £300k is needed to meet our requirements over four years and the more we can find ourselves to reduce the loan amount impacts on the success of the business case.

There is a £100k gap on running costs just now.

The Board voted unanimously to authorise Colin Crawford to agree to the £75k CBIL Bullet payment being rescheduled and authorised Colin to sign the Agreement to vary the terms.

JS highlighted that in adhering to the purposes of CDT, the Board would want to minimise the impact on staff and support businesses at the Camp.

Staff salaries: Direct wages are currently c£120k pa. It was noted that in the service charge there is an allowance of £21k pa for staff costs out of a total of £54k. Gannochy have provided £30k pa towards staff salaries with next payment (2nd year of 3 year funding) in April. Staff salaries for two staff have been delayed to beginning of February. Some income due at beginning of February and there should be enough to pay staff salaries to end of March.

Discussions took place on ways to reduce costs and key points raised were:

- **Solar farm:** CC will contact PKC on Wednesday to find out what funding is available for the solar farm as a revenue source.
- **Selling Property:** Awaiting report on value of the camp from Galbraiths who visited last week to assess its value. If we do sell land then the bank will view CDT as more risky. However, CP advised there are two pieces of land that lie outside the Camp grounds which do not bring in any income and perhaps could be sold off without a negative response from the bank: the area around the old munitions store which may benefit the new farm owners as grazing ground and the triangle of land on the Langside which gives access to Cowden Wood.
- **Transferring Property to Community Groups**
Approach had been made to Steinmeyer fund committee (who have £85k remaining) but reception cool to giving funds direct to CDT. However, the Board agreed to contact Men's Shed, Cancer Shop, Duke of Edinburgh and Allotments to see if they would be interested in Steinmeyer providing them with funds to allow CDT to transfer ownership of their huts to their group. CDT would receive the funds and the title deeds drawn up to give CDT right of pre-emption.

It was noted that the Woodland Group would also be approached. However, there is a carbon value which could be significant income and mean the woodland is much more valuable than a transfer cost. Expert assistance would be required to value this potential income. Income is also still coming in from Forest Scotland.

- **Review of services charges.** It was recognised that the service charge does not cover costs: Biomass charges not sufficient to pay off loan costs. Electricity rate charged is lower than CDT pay for it. The service charge to be reviewed and tenants advised of new charges. It was noted that the deal CDT have in obtaining fuel is good.
- **Self-catering** income is much lower than the strategic review predicted. The strategic review was quite optimistic and the consultants not as realistic as they should have been: model was based on all units being occupied, the museum and events being operational all year, the cost of managing all of these at one time and the financial plan did not take into account the deficit at the start. Covid also had a significant negative impact.

What the review did not do was provide a road map to get to the sustainable position predicted. It made no allowance for capital costs or servicing the debt burden. An example is the 20k visitors per annum goal didn't include capital costs to provide infrastructure required for this amount of visitors.

Operational Priorities:

We are effectively "mothballing" for five years and are unable to maintain activities that are running at a loss. Activities to focus on are:

- Work out staff required to continue running CDT internal administration and the Camp administration, and for anything else staff time has to pay for that staff time.
- Based on the above, review staff activities and see who can/is prepared to make/accept changes.
- Redundancies: noted that redundancy notices if they are to be served should be served soon as there is a redundancy notice period which could take payments beyond this financial year.
- Keep heritage ticking over.
- Reduce costs by carrying out only necessary maintenance, reduce overhead service costs (IT, cleaning, etc), reduce self-catering running costs and possibly change contractor or manage this inhouse with current staff.
- Apply service charges that cover costs.
- Review rents.
- Fill as many huts as possible even to get a service charge.
- Maintain CDT administration to support the Housing Needs Project, and also the Community Action Plan. These meet key CDT goals identified by the Comrie Community.

5 Year Business Plan

CC advised that on the revenue side he can make a case with the bank but still has concerns regarding the £300k required and he will work on this.

Date of Next Meeting

Monday 6 February at 7.30pm in Hut 4.

JS closed the meeting by thanking everyone for attending.

Meeting closed at 21.30 hrs.