



## **Sandwich Bay Bird Observatory Trust**

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Registered Charity no. 289343



15<sup>th</sup> May 2021

Dear Member,

### **ANNUAL GENERAL MEETING OF THE TRUST, MAY 23<sup>RD</sup> 2021**

We are holding our Annual General Meeting on **Sunday, May 23<sup>rd</sup> 2021 at 2 p.m.** The meeting will be a 'virtual' one using 'Zoom'. (Members who do not use email or Zoom have been contacted by post with paper copies of this document).

If you wish to sign up for the Zoom AGM, please see the usual joining instructions through 'Ticket Taylor' which will appear on the Observatory's website. There will be no charge.

Even if you choose ***not*** to join the Zoom AGM, the contents of this document will allow you to take a part and vote on two issues if you so wish, because there are two agenda items where a formal vote is being requested:

**Proposal 1:** (See Item 6, below) **To approve a move towards changing the Charitable Status of the Trust.**

**Proposal 2:** (see Item 7, below) **To approve the appointment, *en bloc*, of the Trustees and Officers whose names have been put forward to serve in 2021 – 2022.**

If you do not plan to attend the Zoom AGM itself, but would still like to register your vote on these two Proposals, then please send your responses to the Observatory by email, **marked for my attention.** It would make it much easier to count any such votes if members wrote in using the simple format:

**Proposal 1:** YES or NO - just write in your choice.

**Proposal 2:** YES or NO

If any member has any other query that they wish to raise arising from this documentation, then please e-mail your question to the Observatory, **again marked for my attention,** well before the day of the AGM. This is especially the case **if your query is of a financial nature.**

Yours sincerely,

Ken Chapman  
(Chair of the Trustees).

## AGENDA

1. **Members present and apologies for absence.**
  2. **Minutes of the last (virtual) Annual General Meeting held on August 9th 2020:** (these have been made available to members on the website)
  3. **Chairman's Report for 2020.**
  4. **Treasurer's Report for 2020.**
  5. **Warden's Report for 2020.** (available on the website)
  6. **Proposal to change the Charitable Status of the Observatory Trust.**
  7. **Election of Officers and Trustees for 2020 – 2021.**
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### **3. Chairman's Report for 2020**

The Observatory entered 2020 in a positive and optimistic state. The Restharrow Scrape Project was nearing completion and we were planning for its official opening in early April; as a key part of the Project we had appointed an Assistant Warden to work on our outreach and educational programmes; there were plans for various maintenance and improvement works around the Observatory premises and wider plans for working on some overdue policies and procedures to help with the smooth running of the Trust.

And then, of course, advice started arriving from the Government about a strange virus that had appeared in the country. Within a very short time the situation rapidly worsened and it became clear that drastic measures were required as the Covid-19 virus took hold. The Observatory building was closed; the Restharrow Scrape official opening was postponed; the May Annual General Meeting was postponed and eventually replaced by a 'virtual' event at the end of July and our normal Open Day in August was cancelled. Our house staff were either put on furlough or on reduced hours and just about all of the Observatory's functions that would have involved its members meeting together were cancelled as, in common with the rest of the country, the Observatory went into 'lockdown'. The Trustees also had to recognise that for our resident Warden and Assistant Warden and their respective partners, the Observatory is their home, which made it even more important that the premises were kept secure.

The better news was that our Warden and a number of members were able to get out and about (always socially-distanced!) and produced a good series of records throughout the year, not only of the bird life but in other areas too. These records were made available to members as usual on the Observatory's web site, through the pages of the monthly Newsletter and will be fully reported-on in the next Annual Report. Thanks are due to all of the people involved for their dedication under the difficult circumstances that they found themselves in. Thanks too, to Becky Downey, our Assistant Warden, for the imaginative ways in which she responded to the particularly difficult situation that *she* was working in – to be newly-responsible for outreach and educational activities in local schools and the wider community when any such activities were almost totally impossible, took some real determination and creativity!

With the exception of some occasional periods during 2020 when the national lockdown restrictions were relaxed and which made some limited outdoor group activities possible, for example, a successful Summer School for children, the Observatory building and the Restharrow Scrape hides remained off-limits to members (and most Trustees) for the remainder of the year. Occasional 'virtual' business meetings were held by the Trustees and by the end of the Summer, the use of video-

conferencing using platforms such as 'Zoom' became a way forward, in order to keep our organization at least 'ticking over'. We also started using 'Zoom' as a way of continuing to provide our evening meetings through the winter months on Wednesday and Thursday evenings. They proved to be a huge success in all respects. More members enrolled for the sessions than we had ever dreamed of and benefitted from an interesting and diverse programme of lectures and talks. In fact, the audience widened across the whole country as the word got around. Thanks are especially due to John Buckingham for organizing these talks and delivering many of them himself; to the other presenters; to Becky Downey for technical support and to all those people who agreed to act as host for the sessions.

Despite the fact that the Observatory was in shut-down for almost all of 2020 and some major normal sources of income were not available to us, we did actually manage to get through the year in a very sound financial state, as you will see from our Treasurer's Report.

During the year, a number of our Trustees stood down and I wish to thank all of them for their contribution of time, thought and effort to the work of the Observatory, in some cases for many years. The work involved in being a Trustee can be very demanding even in normal times and the strains imposed by the Covid-19 situation throughout most of 2020 did not help.

So, a unique year in almost all respects. The good news was that by the end of the year, news of the forthcoming national vaccination programme was beginning to lighten everyone's mood and we were all looking forward to better times in 2021. The strength and resilience of the Observatory to have survived 'the year of the pandemic' is very encouraging and says much for the hard work and dedication of all of our members, supporters and Trustees. My sincere thanks to all of you, too numerous to name individually.

I also need to thank all of the other people and organizations without whose cooperation and support the Trust's work would be made difficult or impossible and especially all of the local landowners - our neighbour, Richard Daw; the Sandwich Bay Estate Residents Association; Royal St. George's and Princes Golf Clubs; the RSPB and many others.

Ken Chapman (Chair of the Trustees) , May 14<sup>th</sup> 2021)

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#### **4. Treasurer's Report for 2020**

##### **SUMMARY**

We had a very good 2019 in terms of Observatory finances and, bearing in mind the unprecedented conditions that we were working under, this was followed by a very satisfactory 2020. As in most years, there were a number of unusual or 'one-off' features, but many of them were related to the onset of the Covid-19 pandemic. The attached table shows figures for 2019 and 2020. The third column headed VAR is the variation (difference) between the years. So, in the Income column a figure not preceded by a dash is favourable (e.g. slightly more Membership income), whereas for Costs a figure not

preceded by a dash (e.g. Oil) is favourable meaning we spent less in 2020. The reasons for the surplus for the year of £68,823 are explained below.

**The following comments relate to 2020 and any comparisons are against 2019.**

### **INCOME**

**Membership** held up well. We got the bulk of the subscriptions in early in the year, so lockdowns, etc., had little effect.

**Gift Aid Tax Reclaim.** Two years-worth of claims were received in the calendar year, as opposed to the usual one.

**Hostel receipts** took a spectacular dive as most of our income is in the last nine months of the year, during the period of lockdown.

**Donations.** We received a large bequest of £31,500; a gift from a generous benefactor (£7,500) and £5,000 for relocating displaced reptiles onto our reserves. The balance was made up of many smaller donations.

**Holidays.** The near absence of holidays meant that income was down, but so were related costs and our profit was £1,336 less than in 2019.

**The Open Day and Raffle and Quizzes** – we lost income from all of these ‘regular’ sources.

**Surveys** More paid-for survey work was completed in 2020 than in 2019.

**RPA (Rural Payments Agency) and Covid-related Government**

**Grants:** We received several large Government support grants due to our closure as well as our regular Government payments for Countryside Stewardship work.

**Shop** The shop closure saw much-reduced profits

### **EXPENDITURE**

**Payroll** The Assistant Warden's pay is included here (although refundable as part of the Restharrow Project). Dawn Stockley, the Field Centre Manager, was on furlough for most of the year and the Government payments received for her are included under ‘Grants’.

**Building Costs.** With less use, all building costs, except Maintenance, were lower than in 2019.

**Maintenance** We spent more on Maintenance and, with an ageing building, this is area of expenditure is likely to increase rather than decrease in the next few years. Most of the work had a Health and Safety aspect.

**Office expenses** Paper use was well down and we now have a much cheaper photocopying facility going forward.

**Postage** We had to post more to our members, as they could not collect, nor could volunteers deliver.

**Travel expenses** Trustees and others are not paid travel expenses, these being donated back to the Observatory and available for a Gift Aid claim. There was far less travel to the Observatory last year.

**Audit & Legal** Fees were payable on advice on the proposed CIO status and for architect's advice on the possibility of updating the accommodation.

**Rents** We now only have the rent of the Jubilee and Dragonfly Fields to pay for.

**Ringing** Ahead of a forecast price increase, we stocked up on rings and replaced some nets.

#### **CASH AT YEAR END:**

Our bank balances at 31 December 2020 totalled £253,621, a very healthy figure. Of this, approximately £40,000 is likely to be spent on the Restharrow project.

#### **RESTHARROW PROJECT**

The figures above do not include Restharrow expenditure. During 2020 we spent £2,997 more than was received on the project during the year.

Bob Dean, Treasurer, SBBOT,

April 26<sup>th</sup> 2021

	2019	2020	VAR		2019	2020	VAR
	£	£	£		£	£	£
<b>Income</b>				<b>Expenditure</b>			
Membership Fees Received	19,703	19,975	273	Salaries	-20,873	-42,091	-21,218
<i>less</i> Toll Fees	1,500	1,500	0	Employer's NI			
Gift Aid tax reclaim	6,136	13,930	7,794	Employer's Pension	-268	-617	-348
Hostel receipts	18,428	6,309	-12,120	Building Costs			
Hire of Meeting Rooms	275	205	-70	Oil	-3,762	-2,951	811
Tea/coffee				Electricity	-1,854	-1,677	177
Received	1,422	240	-1,182	Insurance	-3,927	-3,579	348
Costs	-779	-203	576	Maintenance	-5,963	-9,590	-3,627
Donations	106,156	54,116	-52,040	Water	-1,308	-1,032	276
Income from Clubs				Rates	-1,433	-368	1,065
Received	9,639	8,412	-1,227	Waste	-524	-386	138
Costs	-1,846	-1,829	18	Cleaner		0	0
Bee Course				Housekeeping	-1,238	-934	305
Received	1,624	0	-1,624	Office Expenses			
Costs	-1,000	0	1,000	Office Exps	-3,667	-305	3,362
Holidays/Coach trips				Telephone	-403	-419	-17
Received	39,847	11,140	-28,707	Postage	-812	-1,615	-803
Costs	-35,897	-9,814	26,083	Printing	-80	-98	-17
Open Day				Subscriptions	-451	-698	-247
Received	1,707	0	-1,707	Computers/WEB	-3,318	-2,169	1,149
Costs	-253	0	253	Bank Charges		-17	-17
Raffle				Travel Expenses	-5,386	-2,350	3,036
Received	2,454	0	-2,454	Audit & Legal	-1,050	-3,877	-2,827
Costs	-742	0	742	Miscellaneous	-654	-713	-58
Quiz				Books for library	26	-33	-59
Received	956	141	-815	Advertising cost	100		-100
Costs	0	0	0	Tim Garland Award			
Surveys	3,750	8,000	4,250	Annual Report	-2,380	-2,784	-404
InFocus commission	688	182	-506	<i>less</i> Sales	43	0	-43
Plant sale	419		-419	Newsletters	-371	-193	178
Talks	288	195	-93	Vehicle Costs Diesel	-176	-120	56
RPAGrant	9,169	3,884	-5,285	Vehicle Costs Main	-1,781	-73	1,708
Professional Advice				Road Fund Tax	-111	-154	-43
Received	-615	-878	-263	Vehicle Insurance	-451	-361	90
Costs	25	20	-5	Rents	-6,800	-2,413	4,386
Saleofeqpt				Tools	-570	-318	253
Income	2,038	2,291	253	Reserves	-723	-1,107	-384
Prizes	-980	-955	25	Water Rates	-104	-56	48
Shop contribution				Feeding/Nestboxes	-92	-81	11
Income	11,221	4,235	-6,986	Mothing	-1	-70	-69
Purchases	-7,042	-2,948	4,094	Ringing	-1,784	-4,740	-2,956
Eqpt	0	0	0	Total Expenditure	-72,146	-87,987	-15,841
Bank Interest received	101	67	-34	Trading Surplus/Deficit	124,792	69,823	-54,969
Ringing donations/ BTO rebate	140	76	-64	Depreciation	11,280	13,207	1,927
Government Grant		30,231	30,231	<b>NET PROFIT</b>	<b>113,512</b>	<b>56,616</b>	<b>-56,896</b>
Solar Power Income	4,017	4,205	188				
MOTUS							
Income		0	0				
Expenditure		0	0				
Ringing Course							
Income	1,580	0	-1,580				
Expenditure	-1,051	0	1,051				
RSPB Rental Income							
Income	3,861	4,983	1,122				
Expenditure	0	0	0				
Advertising							
Income		100	100				
Total Income	<u>196,938</u>	<u>157,810</u>	<u>-39,128</u>				

## 5. Warden's Report for 2020 (available on the website)

## 6. Proposal to change the Charitable Status of the Trust

From: Ken Chapman, Chair of the Trustees, May 2021.

**6.1. Background:** I first introduced the Observatory Trustees in December 2019 to the idea that we needed to consider changing the charitable status of the Trust. Some initial work was done in the early part of 2020, with a view to formally seeking approval for the change

by the membership at the next available Annual General Meeting which was scheduled for May 2020.

The onset of the Covid-19 pandemic meant that the May 2020 AGM took place in the summer of 2020 and was conducted by e-mail. In the circumstances it was considered inappropriate at that time for members to be consulted by e-mail on the issue of the charitable status of the Trust.

**However, it is important that a decision is now made on this issue and it is hoped that this will be possible at the AGM of May 2021,** which is going to be conducted by Zoom, and supported by this briefing document.

## **6.2. The present charitable status of the Observatory:**

Reference: [www.gov.uk/guidance/charity-types-how-to-choose-a-structure](http://www.gov.uk/guidance/charity-types-how-to-choose-a-structure)

- a) The Observatory's present legal status is as an **Unincorporated Trust**. This has served the Observatory's needs in the decades since it was put into place in the 1980's.
- b) However, since the 1980's the Observatory has changed a great deal. It now has:
  - a much bigger membership; a much wider and more complex range of functions; a much bigger budget; many more assets including the Field Centre and our growing portfolio of land-holdings; more full-time and part-time employees; more formal contractual dealings with other organisations.
- c) In the light of all of this, I suggested to the Trustees that we needed to take steps to change our charitable status to become a **Charitable Incorporated Organisation (CIO)**. CIOs were first established in law about fifteen years ago to meet precisely the sort of needs that the Observatory now requires.
- d) CIO status would mean that:
  - We *formally* recognize that as a Trust we have *a wider membership* than just the Trustees and that these members vote at the AGM on such matters as Trust policies; alterations to the Constitution and, of course, in the appointment of Trustees for the forthcoming year.
  - By becoming a CIO, the law considers a charity to be a *legal 'entity' in its own right*, in a similar way to an individual citizen or, in the business world, a limited company. CIO status will remove the problem that, under our present position, all Trustees *are personally liable* for what the Trust does. For example, in the event of the organization becoming insolvent and our assets not covering our liabilities, individual Trustees would become personally liable to make up any shortfall.
  - CIO status would also give the Observatory the legal capacity to do many things *in its own name* such as:
    - employ staff; deliver charitable services under contractual arrangements; enter into commercial contracts in its own name; buy, sell and own freehold land or property.

(We do all of these things already, of course, but under CIO status we would be on more solid legal ground).

## **6.3. What happened next?**

- a) Early in 2020 there was considerable discussion amongst the Trustees about the implications of the suggested move to CIO status. It was clear that this was not something to be undertaken

lightly since it was going to involve a lot of work, especially in terms of our financial and accounting systems, much of which would probably need changing.

- b) Having said that, the consensus amongst the Trustees was that we should investigate further by taking professional advice.
- c) We took independent advice early in 2020 from Sandy Adironack, a good friend of the Observatory and who is a professional expert in charity law. She agreed that CIO status was the most appropriate route for us to follow but also recommended that we did not attempt to take on the task without specialist legal help.
- d) I then researched any law firms in Kent which might have this sort of expertise and came across Brachers in Maidstone.
- e) A meeting took place at Brachers on 28<sup>th</sup> February 2020 involving one of their senior partners, one of their specialists in trust law and myself. They confirmed that CIO status was desirable for us at our stage of development and also that they had the expertise to handle the case.
- f) They gave a detailed survey of what steps would need to be taken and made it clear that although complex, the process of changing from one charitable status to another is generally 'do-able'.
- g) I reported all of this back to the Observatory Trustees and their unanimous decision in early March 2020 was to proceed with the CIO plan, but that the idea would need to be put to members at the forthcoming AGM, scheduled for May 2020. Then, of course, the Covid-19 lockdown started, there was no AGM in May 2020 and I had to inform Brachers that the whole thing would need to be put on hold.
- h) In the latest exchange, of e-mails between Brachers and myself (November 2020) I emphasized that we were still not in a position to proceed with the project, until a decision to proceed had been officially agreed by members in an Annual General Meeting.

#### **6.4 What will all this mean in practical terms?**

In practical everyday terms, members will find that nothing much will change around the Observatory.

- a) We would need to change the name of the new charity by inserting the letters 'CIO' into our title so that it read something like 'Sandwich Bay Bird Observatory Trust (CIO)'.
- b) We would take the opportunity to up-grade the Observatory's Constitution to make it more relevant to future needs.
- c) Members would still be in a position to vote at our AGM on key policy areas, the election of Trustees and other major issues and would therefore retain control of the organization.
- d) The major benefit of the change is to formalize and secure the legal status of the range of Observatory activities for the future, as outlined in section 2 above, and to remove the personal liability issue from present and future Trustees.

#### **6.5 Recommendation:**

***The Trustees recommend that at the Annual General Meeting of the Trust, to be held on May 23<sup>rd</sup> 2021 officially approve and confirm the process towards converting the charitable status of Sandwich Bay Bird Observatory Trust to become a Charitable Incorporated Organisation (CIO).***

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## **7. Election of Officers and Trustees for the year 2021-2022**

The persons listed have allowed their names to go forward to serve as Officers and Trustees for the year 2021-22. All have been duly proposed and seconded.

Under the terms of the Constitution of the Trust, up to 14 persons may stand as Trustees, plus the officers of the Trust (Chair, Vice-Chair, Secretary, Treasurer).

**Recommendation: It is therefore proposed that the persons listed below are elected *en bloc*.**

**Chair:** Ken Chapman.

**Treasurer:** Bob Dean.

**Vice-Chair:** Pam Worrall.

**Secretary:** (position vacant).

**Trustees:** Bo Beolens; John Buckingham; Peter Dean; Eugene Hood; Ian Hunter; Sharon Irvine; Becky Johnson; Phil Poole; Nick Smith; Russell Thompson; Angela Weaving. (11)

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