

COBBINSHAW ANGLING ASSOCIATION LTD**NOTICE OF EXTRAORDINARY GENERAL MEETING (EGM)****DATE: Sunday 3 November 2024****VENUE: Deer Park Golf and Country Club, Livingston****TIME: 2pm to 5 pm****MATTERS FOR DECISION: Proposals to amend the Fees and Charges Regimes****Dear Member**

This meeting has been initiated under Paragraph 25 of our Articles of Association by the board of directors who are proposing a number of changes to our current rules and regulations for members to consider and vote on. The objective of these changes is to reverse the current loss-making trend by improving membership recruitment and retention, and increasing income. This is regarded as a crucial first step in securing the longer term future of the Association.

Normally these matters would be discussed and agreed at the forthcoming AGM in January 2025. However the nature and scale of the matters to be discussed cannot be properly accommodated within a normal AGM given other routine business that needs to be completed. The board has therefore decided to hold an EGM to consider these matters, leaving the potential for any consequential or follow-up issues to be accommodated within the 2025 AGM.

Members should note that only the matters set out in this paper can be decided at this meeting. If time allows, the board will consider any relevant feed back on other matters for inclusion in the 2025 AGM papers.

Background

The Association is losing members at a faster rate than it can recruit new ones, whilst at the same time it is facing significant challenges in meeting rising costs and managing costly climate change impacts. It has been running at an underlying loss for several years, despite increases in fees and charges, and its future viability is now seriously under threat.

The existing loss-making situation is unsustainable even in the short term. At the current level of annual loss [estimated at circa £30k plus for this financial year] there is only 4 to 5 years of sufficient reserves left, following which we would likely be faced with closing the fishery and winding up the Association.

The choices we face are relatively straightforward. We need to take in roughly £180,000 in income to meet our current expenditures and make a small profit towards replacing capital items such as boats and outboards, but we are falling well short of that target. We therefore need to either: cut our costs, which means scaling back our activity levels; increase charges to members; maximise income potential from other sources; or a combination of these.

There are no areas where meaningful savings could be achieved without significantly scaling back activity levels. This would likely involve reduced stocking, both in size and numbers, and ultimately moving to a single member of staff at the fishery. Changes of that magnitude would negatively impact the quality of fishing and facilities and further exacerbate membership recruitment and retention difficulties. They would also require members to become more involved in day to day operations on a voluntary basis, such as work parties to complete key tasks and providing staff cover as needed throughout the year. In the board's view, significantly scaling back activities is not a viable option at this time, although it will seek to make savings where it can, including consideration of an option to merge the Secretary and Treasurer roles at a reduced honoraria which will be put to the 2025 AGM.

In the absence of areas where significant cost savings can be made at this time, the board has carried out a review of our current charging regimes to assess their fitness for purpose in our current circumstances. It concluded that the current charging regimes have served the Association well in the past but times have changed and they no longer meet the expectations of today's anglers and current operational requirements. Major changes are needed in order to improve the recruitment of new members and the retention of existing ones. In the board's view this can be best achieved by modernising our charging regimes so that they more accurately reflect the expectations of members and more fairly reflect their use of resources. We also need to maximise the use of our facilities and related income potential by both members and guests. This meeting has therefore been called to consider proposals to make significant changes to the existing fees and charges regimes.

The procedures relating to general meetings are set out in paragraphs 22 to 44 of the Articles of Association. Key voting points to note are:

- (a) The quorum for meetings is 50 members [A38]
- (b) Ordinary Resolutions require a simple majority of those attending [A36]
- (c) Special Resolutions require a two thirds majority of those attending [A34]
- (d) In the event of a tie, the Chair has a casting vote [A42]

Proposals to be voted on

A summary of the proposals that the EGM is asked to consider and vote on are set out in the Table below. The Table includes references to an attached Appendix on each proposal that contains further information on the rationale behind it. Note that not all proposals have a financial impact or have one that can be quantified.

EGM November 2024: Summary of proposed resolutions and financial impacts

No.	Proposed Resolution	Type of resolution	Appendix Ref	Immediate Financial impact
1	Reduce the Entrance Fee to £50 for all new entrants subject to provisions for a Young Person Membership category.	O	A	£0
2	Reduce Ordinary subscriptions from £360 to £295	O	B	-£13,780
3	Increase existing WD subscription of £288 by £7 and merge the category with Ordinary [assuming O is reduced to £295]	O	B	£147
4	Increasing WDDO subscriptions by £20 and upgrade to WD [This would effectively remove WDDO as a membership category]	O	B	£160
	Increase fishing charge from £13 to £20 and remove hourly limits on fishing	O	C	£29,750
	Abolish hourly fishing charges - members can fish for as long as they wish	O	C	-£2,000
	Increase Guest charges from £26 to £32	O	D	£3,300
	Allow club bookings [with some restrictions / rules]	O	E	£10,000
	Introduce 3 new member categories: <ul style="list-style-type: none"> • Young Person under 26 • Country Member • Day Member [to facilitate club bookings] 	S	F	£0
	Introduce monthly DD option for payment of annual subscriptions	O	G	£0
	Estimated net gain			£27,577

O = Ordinary Resolution

S = Special Resolution

Members should note that this is a package of measures that needs to be considered collectively, especially those that have direct financial impact. Changes to one measure that has financial impact may require

compensating changes to another in order to meet an overall objective of reversing losses and achieving an annual profit. Any overall shortfall in the income target would need to be met from increases in member charges with consequential risks to improving membership recruitment and retention.

These are important decisions that have a direct bearing on the future viability of the Association **so please make every effort to attend**. When voting on the proposals it is therefore essential that we all set aside any personal preferences and consider what is good for the Association as whole.

Concluding remarks

For a variety of well known reasons angling generally is going through a major transition phase that is affecting all aspects of our sport and the fisheries that underpin it. We are not immune to those changes so we need to adapt our operations to overcome the consequential challenges that result from them. Despite the challenges, there remains a strong demand for good quality trout fishing in our locality and we are well placed to provide it.

The overall package of facilities on offer at Cobbinshaw is amongst the best available in Scotland. The fishing arrangements are designed to be as flexible as possible to suit member requirements, and we have excellent full time staff who run the fishery on a day-to-day basis and provide fantastic personal support to all members and guests. In particular, the pontoon structure provides easy and safe access to boats and likely extends our 'fishing life' by several years, which is a real benefit for the elderly [most of us] or those with mobility issues.

The board recognises that Cobbinshaw is a broad kirk with many different views and preferences on how the fishing should be run, from the type of boats we use or the breed, number and sizes of fish we stock, and everything in between. Despite these differences of opinion we all share a common objective, which is to make Cobbinshaw the best fishery it can be for all its members. With that in mind, we need members to rally round and support the Association in its efforts to overcome the challenges it currently faces. It is after all, your Association for which you are a part owner as well as a member.

These proposals have been put forward by the board with the objective of continuing the high standards we currently enjoy. However, there is no absolute guarantee that they will resolve our current financial issues, but what we have at present is not working so we need to try something new. It is also important to understand that some aspects are simply out with our control, such as the poor weather we experienced this year which kept rod numbers and rod income, down. Also, these uncontrollable aspects are a normal part of fishing and help distinguish the really good days from the not-so-good days.

I look forward to seeing you at the EGM on 3 November 2025.

AW Anderson
Honorary Secretary
CAA Ltd
On behalf of the board of directors

APPENDIX_A**ABOLISH OR REDUCE THE ENTRANCE FEE (EF)**

Many potential members cite cost as being the main reason for not joining, especially first year costs that include an EF plus subscription plus fishing costs. This is evidenced in the significant rise in new members in the 2-years following reduction of the EF from £450 to £150. The EF at £450 was therefore a major deterrent to recruitment [even with an instalment procedure in place].

The benefit of reducing the EF has ended and recruitment has now fallen back to a handful per year [13 so far in 2024]. Although the reduced EF is not that great in itself, - £150 - it makes the total cost of joining £510 given a current subscription rate of £360, which many enquirers still think is too much, especially in the current economic climate and with fishing fees on top.

The historic arguments for retaining the EF are:

- it represents an investment/cost that members would be unwilling to give up, thereby making it unlikely that they will leave;
- it limits membership flip flopping ie join, then leave and join again etc; and
- it provides valuable additional income.

These arguments might have held sway 40 years ago when angler numbers and preferences were significantly different to now, and we had a healthy waiting list. But things have changed considerably in the past 15 years [angling numbers have drastically declined and we have no waiting list] and they no longer carry the same weight.

Current information on membership shows that an EF does not prevent people leaving, with many doing so only after a year or two [which is something of a contradiction given that it is also regarded as a bar to people joining]. The EF is therefore seen by many as an initial or sunk cost and not an investment, which they are prepared to write off. In short, the EF no longer results in a financial, emotional or loyalty tie-in and the Association is the loser here, not the member. Moreover, in pure financial terms it is cheaper to leave and save £360 a year, then rejoin and pay the EF.

Whilst the EF does provide one-off additional income, a continuing subscription [and related fishing income] provides a greater long term financial benefit to the Association. Feedback indicates that the EF is a bar to recruitment for some, so retaining it at the current level will reduce future income streams.

On the basis of available evidence the board's unanimous view is that reducing or abolishing the EF would help improve membership recruitment and retention. However, the board accepts the argument that some level of EF should be retained, partly to provide future flexibility on setting a level and partly to recognise that in joining the Association one becomes a part owner of a long established organisation.

Board Proposal (Ordinary Resolution)

The Entrance Fee is reduced to £50 for both new and ex-members [and remains non-refundable].

Note that the proposal to introduce a Young Persons Membership [Appendix F]includes a provision not to charge an Entrance Fee.

APPENDIX_B**REDUCING SUBSCRIPTION RATE FOR ORDINARY MEMBERS WITH CONSEQUENTIAL CHANGES TO WD AND WDDO SUBSCRIPTION RATES**

Rising subscription rates discourage many new members from joining; it is also one of the main reasons why existing members leave, especially those members that fish infrequently or not at all [sleeping members].

Given that only 50 to 80 members fish regularly [once a week or more] sleeping members are an extremely important part of our income stream. We therefore cannot afford to lose them at the current rate, otherwise remaining members will need to meet the shortfall, creating a cycle of increasing charges and consequential resignations.

We currently have circa 270 members, comprising: 213 Ordinary members paying a subscription of £360; 26 WD members paying a subscription of £288; 8 WDDO paying a subscription of £245; and 21 Honorary members who are not required to pay a subscription but can make a donation [2022 donations and 2023 donations totalled £2197 and £1802 respectively]. Note that the WD and WDDO categories were closed some years ago with protected rights for those remaining.

In broad terms finances have been based on the assumption that subscriptions largely paid for fixed costs [costs we incur regardless of any fishing activity, such as rent and insurance] and fishing fees paid for variable costs [costs that are directly related to fishing activities, such as fish costs]. The balance between these has changed, with variable costs [especially fish costs] increasing at a faster rate than fixed costs, but that change has not been reflected in the respective charges.

There is also a disparity in the fees charged between membership categories, with Ordinary members effectively subsidising the fishing of other categories i.e. the cost to the Association [for both fixed and variable costs] is the same regardless of when in the week a member fishes.

We therefore need to review our charging regime to bring it back in balance so that it more fairly reflects the underlying costs involved and helps improve membership recruitment and retention over the longer term. That means either reducing or freezing the existing subscription rates or increasing fishing charges or a mix of these.

Freezing subscription rates at current levels [or increasing them] would likely only worsen the recruitment and retention problems we currently face, whereas reducing them would be beneficial and, taking account of other proposed measures, help achieve the broader objective of increasing overall income. However, given the existing disparity in our subscription rates referred above, any reduction would only seem appropriate to Ordinary memberships.

Reducing Ordinary subscriptions would still require an increase in the subscription rate for WD and WDDO memberships, probably in the region of £20. In the case of WD memberships and depending on the scale of reduction in the Ordinary rate, there is the potential to merge the WD and Ordinary categories of membership. For example, if the Ordinary rate is reduced to £295 then an increase of £7 in the WD rate would allow that category to upgrade to Ordinary at a small cost and give them the opportunity to fish at weekends.

Assuming the WD category does in fact merge with Ordinary as suggested above and the WDDO subscription is increased by £20, the board also propose that the remaining WDDO memberships are upgraded to WD thereby enabling them to fish in the evenings. This change would effectively remove the WDDO category without any negative impact on existing members in that category.

The estimated financial impacts of the above changes are based on current membership numbers and will result in a net loss of income of circa £13,473 as follows;

- (a) Reducing the Ordinary subscriptions by £65 to £295 will result in a loss of income of circa £13,780
- (b) Increasing the WD subscription by £7 and merging with Ordinary will increase income by £147
- (c) Increasing WDDO subscriptions by £20 and upgrading to WD will increase income by £160

WDDO members can also pay a further £30 and upgrade to Ordinary in order to be able to fish at weekends too.

Board Proposal (Ordinary Resolutions)

There are 3 related proposals with items (b) and (c) being consequential to the approval of item (a):

- (a) Reduce Ordinary subscriptions by £65 to £295
- (b) Increase WD subscriptions by £7 to £295 and merge the category with Ordinary
- (c) Increase WDDO subscriptions by £20 and re-categorise to WD thereby enabling them to fish in the evenings during weekdays.

APPENDIX_C**RAISING FISHING CHARGES, REMOVING HOURLY LIMITS ON FISHING AND DOING AWAY WITH HOURLY CHARGING**

The current member fishing charges are £13 for a minimum 4 hour period, then £1.50 per hour thereafter. The four-hourly session is by far the most popular amongst members, reflecting our current age profile.

Fishing income in 2023 totalled £58,125 from circa 3670 rods. This was significantly down on the previous year [£67,330 from 4600 rods] due to difficult fishing conditions. Rod numbers this year are likely to be below the 2023 number, due again to difficult fishing conditions [rain and wind] throughout the year.

There are strong financial grounds to support a significant increase in fishing charges now, notably the rising cost of fish and feed. For example, we stocked 12600 fish in 2021 at a cost of £50,600; and this year we expect stocking costs to be circa £59,000 despite a reduction of 1600 in the number stocked. A rainbow trout now costs circa £3 plus per pound delivered [or £6 plus per fish], which makes the cost of a bag of 4 lorry fish circa £24 plus and a bag of 6 fish circa £36, against average angler income of £13 [4-hour session being by far the most popular].

C&R anglers often argue that by not killing fish and not taking fish away they are not costing the fishery anything, therefore C&R anglers should pay less. That argument is inherently misleading as we still have to buy the fish and maintain a strong stocking density to provide sport for all, whether fish are killed or not. Also there is a mortality rate with C&R due to poor handling, which significantly increases when water temperatures are high. Moreover the vast majority of fish not killed by anglers [or predation] will die off steadily over the season, so the argument of C&R leaving fish in the loch for others to catch/kill is further undermined. In essence, once a fish has been caught by an angler it has essentially fulfilled its purpose regardless of whether it is caught again or survives to another season.

Increasing fishing charges is consistent with the board's objective of better aligning fishing income with fishing costs and use of facilities, and is an essential part of a broader strategy to improve membership recruitment and retention. In deciding how much of an increase to propose, the board looked at a number of other related factors including: comparisons with similar charges levied by commercial fisheries; the target income needed; stocking costs; estimates of future rod numbers, which are unpredictable due to weather issues, and; consequential impacts on the current 4-hour minimum time period and hourly charging thereafter.

The impact of these changes will make membership slightly more expensive for those that fish frequently and less expensive for those that do not.

Board Proposal (Ordinary Resolutions)

The board proposes that we amend the boat fishing charges as follows:

- (a) Increase the fishing charge to £20
- (b) Abolish the hourly charging regime
- (c) Anglers can fish for as long as they want subject to normal booking arrangements

Based on estimated rod numbers of 4250, these changes would result in a **net increase in income of £29,750**, comprising increased income of £29,750 less hourly charging income foregone of circa £2000.

[Note that increases in the basic boat fee will have consequential increases in bank charges, winter boat charges and pike charges]

APPENDIX_D

PROPOSED INCREASES IN GUEST CHARGES

Guest income is extremely important to the Association, accounting for circa 25% of fishing income.

Guest charges are cheap compared to equivalent commercial fisheries where a 4-hour ticket for a single angler with a 2 fish kill can be as much as £40.

A significant increase is also required to deter unsatisfactory behaviour where two anglers 'share' a membership rather than have two memberships.

The proposal is to increase guest charges closer to but still below, commercial rates. This still makes guest fishing at Cobbinshaw comparatively cheap given a 6 fish kill limit and the high quality of fishing and facilities.

The increase would be combined with the removal of a four hour initial booking time and hourly charging, in line with proposed changes to member rates.

Board Proposal (Ordinary Resolution)

The board proposes that the guest charge be increased to a single charge of £32, with fishing times brought in to line with member arrangements i.e. no hourly charges and no restriction on fishing hours.

Assuming 2022 guest numbers of circa 550 [being an average year for conditions], the **increase would generate an estimated additional £3300**

APPENDIX_E**ALLOWING CLUBS TO BOOK BOATS AT COBBINSHAW**

The rationale for this is simple: at this point in time we need the income and we have plenty of spare capacity to accommodate clubs. The over-riding benefit is that income from clubs will **effectively subsidise membership fishing** and help the Association maintain and develop the fishery for its wider membership. The alternative is for members to pay more, which would adversely affect membership recruitment and retention.

Some may be unhappy with this proposal on the grounds that clubs will be seen as taking fish from members, especially any larger fish caught. In principle, that is a valid comment, but it is negated by our current stock circumstances i.e. due to low kill rates we have more fish in the loch than ever before but catches are not any better, and high stock density simply results in higher annual mortality.

We used to allow clubs to fish but the concession was voted down by members, largely on the grounds referred above. However, it should be noted that we had no financial issues at that time and there was a healthy waiting list of 100 or more. As already mentioned, these times have changed and we now need to look at ways of maximising all income sources in order to reduce costs to members.

Another concern is that allowing clubs will affect the Association's mutual status with HMRC and have corporation tax implications. This would be avoided by treating club bookings as day memberships. This arrangement is successfully applied by other fishing associations with a similar corporate structure to ours. Moreover, the primary argument for our mutual status is that all profits must be invested in the business, and that we cannot distribute any profits to members by way of dividend or similar. That position remains unchanged.

Allowing clubs could generate up to 20 club bookings a season, at circa 12 rods per booking giving a total of 200 rods at £32 per rod, generating circa £7680 additional income. If we extend this arrangement to pike fishing [2 days out with the main season] we could generate a further £2000 plus. This would give total additional income of circa £10,000 plus - equivalent to £35 on subscriptions. [NB These are estimates - reality may be up or down on those figures - but any additional income is needed and welcome]

Club access would be subject to rules [to be agreed]:

- (a) Guest charges rates would apply
- (b) All bookings in advance
- (c) No bookings on Tuesdays and Thursdays [our busiest days]
- (d) A max of 10 boats would be available
- (e) Fishing times would be restricted to agreed sessions eg day session, evening session or afternoon in to evening
- (f) Our normal fishing rules would apply
- (g) Additionally: a pike fishing day would be allowed before the trout season opened and after it closed

Allowing clubs is another means of promoting Cobbinshaw to a wider angling public and would hopefully lead to new memberships.

There are no plans to extend 'Day Tickets' to the wider public on an individual basis. The concession would therefore only apply to formal club bookings.

Board Proposal (Ordinary Resolution)

The board proposes that the Operating Regulations be amended to allow club bookings, subject to specific rules as set out above.

APPENDIX_F**INTRODUCING THREE NEW MEMBERSHIP CATEGORIES:**

- **COUNTRY MEMBERSHIP CATEGORY;**
- **YOUNG PERSON'S CATEGORY**
- **DAY MEMBERSHIP CATEGORY**

Adding new membership categories requires an amendment to our Articles of Association and is therefore deemed to be a special resolution requiring a two-thirds majority of those attending the EGM. Each proposal below needs to be considered separately and/or passed collectively as a group.

The purpose of introducing these categories is to make Cobbinshaw accessible to as wide a group of anglers as possible, which is in line with the broader objective of improving membership recruitment and retention.

Country Membership Category

Over the past seven years or so there have been several members who have reluctantly resigned their membership because they have moved a considerable distance away from the fishery and could only fish infrequently when they visit family on holiday. One member who moved to London but kept his membership despite fishing only on occasional visits to see family living locally has now asked about the prospect of a reduced membership fee to match his circumstances, otherwise he will reluctantly resign.

Offering a reduced subscription rate to individuals who live a significant distance from the fishery [to be decided on a case basis by the board] and therefore can only fish occasionally, may encourage them to retain their membership instead of resigning.

There is no downside to this proposal. Although it may only affect a few individuals, it is better to keep them as members at a reduced subscription, plus any fishing income, rather than lose them completely. The fishery staff will monitor the situation to ensure there is no abuse.

The proposal is to offer Country Memberships at 50% of the Ordinary subscription rate. Members in this category would not be eligible to hold office or have voting rights.

Young Person's Membership Category

We need to encourage young people to join but cost is a prohibiting factor.

Offering a reduced subscription for individuals under 25 could encourage younger anglers to join and subsequently stay on as Ordinary members. The board considers this change essential - we need to encourage younger people to join the Association and stay on for the longer term.

The proposal is to offer a Young Person's Membership at 50% of the Ordinary rate, with no EF required should that still apply. Members in this category would not be eligible to hold office or have voting rights.

Day Membership

The introduction of this category is technically required to support club bookings. If the proposal to allow club access fails then this motion would not be required. Membership in this category would be temporary for the day specified: they are not be eligible to hold office or have voting rights.

Board Proposals (Special Resolutions)

The board proposes that the Articles of Association be amended to include the following new membership categories:

- (a) Country Membership at 50% of the Ordinary subscription rate for individuals who live more than circa 130 miles from the fishery, with the board deciding eligibility on a case-by-case basis. Members in this category would not be eligible to attend general meetings, vote or hold office.

- (b) Young Person's Membership at 50% of the Ordinary subscription rate and open to persons under the age of 25. Members in this category are not eligible to vote or hold office.
- (c) Day Memberships where the fishing fee is equivalent to the guest rate. Membership in this category would be temporary for the day specified: they are not eligible to attend general meetings, vote or hold office.

APPENDIX_G**INTRODUCE MONTHLY DIRECT DEBIT OPTION FOR PAYMENT OF SUBSCRIPTIONS**

Subscriptions currently fall due in February, just when credit card bills come in following Xmas and New Year, so it is not the best timing to ask for a significant sum to pay for fishing. This is undoubtedly another factor that deters new members from joining and puts pressure on retention of existing ones.

An instalment approach whereby subscriptions are payable by monthly direct debit [DD] over the year would make joining financially easier. It would also likely be attractive to many existing members who can spread the cost over a longer period at an amount that is more easily affordable. A DD payment option is successfully used by most golf clubs and gyms without any issues.

Members can still elect to pay in full when the subscription notice is issued in February. Payment by monthly DD will therefore be an option that provides greater flexibility and improves affordability.

There is the possibility of abuse e.g. some may join and stop paying mid-season. That's a normal business risk that we simply have to accept. But we can mitigate default risks by monthly monitoring of payments and early notification to the fishery staff, meaning that defaulters cannot fish until they settle their arrears. Anyone so defaulting can also be barred from future membership. Furthermore, our Articles of Association [which all members have signed up to] make clear that payment of the relevant fees is part of the contract of membership and could be legally pursued by the Association should it chose to do so.

An DD system would create additional work for the Treasurer [perhaps a lot of work if take up is high] but from a business and customer service standpoint there is no real option - we need to move with the times!

The board unanimously agreed that the benefits of a monthly DD payment system far outweighed any disadvantages.

Board Proposal

The board proposes that the Operating Regulations be amended to include a provision that allows members the option to pay annual subscriptions in 12 equal monthly direct debits, effective February 2025.