

British Sub-Aqua Club

Minutes of 60th Annual General Meeting

Saturday 10th May 2014 at Conservative Club, Ellesmere Port

The meeting, not being quorate at 9.30am, was adjourned for 30 minutes.

The meeting, still not being quorate at 10.00am, was adjourned until 11th May 2014 at 7.00am and to the Jessop Suite, Holiday Inn, Ellesmere Port. The Honorary Secretary declared that nevertheless the AGM presentations and question and answer sessions would continue as per the agenda items as a courtesy to those present.

The meeting reconvened on 11th May 2013 at 7.00am and was further adjourned to 7.30am due to not being quorate. The meeting started at 7.30am on 11th May 2014.

Apologies: HRH The Duke of Cambridge, Ian Irvine, Ernie Crook, George Brookes

001.1 Approval of the minutes of previous Annual General Meeting

The minutes were approved as a fair record of the meeting. No objections were recorded to the approval of the minutes.

Damian Wozniak asked if any items discussed at the non-quorate AGM could be included in the minutes of the reconvened AGM, Dr Clare Peddie stated that this request would be considered.

001.2 Appointment of Tellers

Anthony Marshall was appointed as the teller.

001.3 Chairman's Report

Dr Clare Peddie welcomed those present to the 60th AGM and covered the following topics:

- The 60th issue of SCUBA
- BSAC Council
- BSAC strategy
- New Affiliation Agreements
- Marine Licensing – guidance for recreational divers
- Membership initiatives
 - Club promo banners
 - Membership handbook
 - Free training pack promotion – recruitment
 - University branches
- Financial Performance
- Reflection on last six years as BSAC Chair
- Challenges ahead
- Thank you's
- Honorary Life Vice-Presidency awarded to Ernie Crook for his outstanding contribution
- Important announcement – new President for BSAC – HRH The Duke of Cambridge KG
KT

001.4 Honorary Treasurer's Report

Maggie Driscoll presented the financial results for the year to 31st December 2013 and covered

the following topics:

- Surplus for 2013
- Changes in income
- Changes in expenditure
- Balance sheet
- Cash position
- Investment for 2014
- Historical surpluses
- Audit report – clean audit report from our auditors and from the BSAC Audit Committee
- Outlook for 2014 – budgets for 2014
- Thanks to Wendy Meadows & the finance team at BSAC HQ

001.5 National Diving Officer's Report

Jeff Reed presented his report and covered the following:

- Diver training programme
- Snorkelling
- Coaching
- ITS & Skill development courses
 - Diving for All
 - Marine Life Appreciation
 - Newly proposed courses
- Instructor statistics
- Instructor Developments
- Safe Diving changes
 - Maximum depth increased to 100 metres
 - Diving in threesomes (trio diving)
- Technical Diving
- Thank you's

001.6 Election Update

Sarah Jepson presented her report and covered the following:

- Administered by ERS – Electoral Reform Services.
- Election process
- SJ explained that members with missing dates of birth are not usually sent the opportunity to vote

001.7 Appointment of Auditors

It was agreed that Council should re-appoint the auditors and set their remuneration.

001.8 Consideration of AGM Motion

Proxies votes assigned to the Chairman of the Meeting were: 506 – as he sees fit, 473 – against, 220 – for. Proxy voters and voters present: 3 – against, 1 – for. Total: 221 – for, 982 –

against, and the motion therefore rejected.

001.9 **AOB**

Dr Clare Peddie stated that it was good governance for BSAC to have an audit. As Governing Body for the sport and with a member of the royal family being BSAC's President, it was the correct procedure to follow. CP also stated that Damian Wozniak had been given every opportunity to submit a list of questions in advance, Damian Wozniak agreed that he had been given that opportunity and had not taken it up. CP further stated that Damian Wozniak had received all of the financial information that he was entitled to, DW acknowledged that he had. DW asked if he could receive a copy of the tax computations for the company, CP stated that he was not entitled to that information.

CP stated that the answer to a question DW had previously asked about the number of qualified instructors was as follows:

National Instructors – number qualified in last 5 years = 20 – last number issued was 254
Advanced Instructors – number qualified in last 5 years = 131 – last number issued 4065
Open Water Instructors – number qualified in last 5 years = 1308 – last number issued 7769

Details of the membership initiatives were included in the Chair's report.

Damian Wozniak presented the list of questions reproduced below (numbering added afterwards for convenience). CP undertook to review the questions outside of the meeting.

- 1) *Per the response "The Council has taken independent legal advice ... and been advised to retain the audit requirement (in the Articles) for legal reasons given in detail" Will the Council/Directors please provide a list of their "legal reasons" and reference these "legal reasons" to statute*
- 2a) *Who paid for the above "independent legal advice"?*
 - b) *How much did the 'advice' cost?*
 - c) *Who were these "independent legal" advisors?*
- 3) *BSAC Directors state "the BSAC's auditors include taxation advice as part of their audit fee"*

The audit fee is disclosed in accounts by law

 - a) *Will the BSAC Directors please state if the audit fees disclosed in the accounts include "taxation advice" and other services provided by the auditors?*
 - b) *How much were the fees for taxation advice and financial review and consultancy and "fraud check" etc?*
- 4) *The audit fee for BSAC "consolidated" is shown as 12750 and for BSAC "company" as 9000. This leads to the audit fee of BSAC International being 3750. Do you agree ? and if not why not*
- 5) *BSAC Directors claim and state "the audit costs are currently some 40% less than they were 10 years ago". Will the BSAC Directors please provide the calculation of the 40% as audit fee for the year 2013 was 12750 and for 2003 was 12900*
- 6a) *Please provide your calculations for the 40% claim?*

- b) *Is this some sort of adjustment for 'rampant' inflation?*
- 7) *BSAC Directors claim and state "the costs of the auditors have been more than met in recent years by the cost savings that their tax advice has provided with the BSAC now paying approximately £15000 less tax per year than before their appointment due to the excellent tax advice of the auditors which is covered by their professional indemnity insurance"*
Will the auditors please state how insurance covers their tax advice?
- 8a) *Will the BSAC Directors please show how £15000 per year is saved when the tax charge in the accounts is less than approximately £4000 per year?*
- b) *What 'new' complications occur every year that directors need tax advice every year to save £15000 tax every year?*
- c) *Will the BSAC Directors please quantify the total amounts of money saved in the "tax savings that have been consistently provided to the BSAC" by the auditors during the previous, say 10 years?*

More questions about accounts:

- 9a) *Why do BSAC Council (or is it the auditors) produce consolidated accounts?*
- b) *What are the associated costs of producing consolidated accounts?*

Companies Act state

s396 Companies Act individual accounts

MUST comprise a balance sheet and a profit and loss account

s398 option to prepare group accounts If at the end of a financial year a company subject to the small companies regime is a parent company the directors, AS WELL AS preparing individual accounts for the year, MAY prepare group accounts for the year.

s408 where a company prepares group accounts in accordance with this Act ...The company's individual profit and loss account MUST be approved (by the directors) but may be omitted from the company's annual accounts. Does NOT have to be omitted.

- 9c) *Bank overdraft secured by a debenture over the assets of the group can you confirm if the debenture has been cancelled as there is no overdraft in 2013*

It appears that BSAC Directors and their "independent legal advisors" consider the draughtsmen of the Companies Act were / are incompetents, since the BSAC Directors state that:

"It (the BSAC) is not a small business as envisaged by the Companies Act"

And "which typically is a "for profit commercial enterprise", and such a company would normally be owner managed and closely owned." and number of members should be a criterion for small. Really?

Will the Directors of BSAC please answer:

- 10a) *Is the "for profit commercial enterprise" a direct quote from the Companies Act?*
- b) *And what do you mean by "closely owned"?*

The Companies Act refers to a COMPANY as "small" and NOT to whatever the business of that

company may or may not be.

- c) *If the BSAC Directors and their "independent legal advisors" consider BSAC is not "small" then why in so many instances in the Annual Report and Accounts do they resort to and use all the "small company" exemptions reliefs and provisions of the Companies Act?*
- d) *Which means LESS information and detail is given to members so how does this equate with BSAC Directors' claims about "transparency" and openness of information?*

- 11a) *BSAC Directors state "issues of taxation can be very complex and the Council consider it would be irresponsible for advice on such matters not to be subject to appropriate insurance". How do BSAC Directors and their "independent legal advisors" and auditors get "appropriate insurance" for "erroneous tax advice"?*
- b) *BSAC Directors' "response" states "positive benefits that arise from having an audit. All costs are reviewed monthly and an annual budget process is in place". The above implies that the audit covers the budget processes. Would the auditors please comment on this?*

- 12) *The BSAC Directors state in their "response" that "the audit is by no means a box ticking exercise but is instead a comprehensive financial and taxation review and fraud check". Do the BSAC Directors therefore claim the above is the purpose of an audit? Would the auditors please comment on the above.*

- 13a) *Is the purpose of an audit to check the "correctness" of accounts? Is the purpose of an audit to find errors, mistakes, fraud, etc? Does an audit include accounts preparation, tax advice, consultancy financial review, a management letter etc.*

- 14) *The BSAC Directors state that "accounts are covered by professional indemnity insurance when prepared or audited by external accountants"*
 - a) *What do the BSAC Directors mean by the above?*
 - b) *What do the "independent legal advisors" mean by the above?*
 - c) *Will auditors please comments on the above?*
 - d) *Will the auditors please confirm if an audit 'protects' members?*
 - e) *Will the auditors please confirm if an audit 'protect' directors?*
 - f) *What can members do if by their actions directors 'ruin' a company?*
 - g) *If an audit is 'wrong' and a company fails what can members do to 'get their money back'?*
 - h) *What exactly are the auditors liable for?*

- 15a) *Have the BSAC Directors read and understood the contents of the "Letter of Engagement" which they would have received from their auditors?*
- b) *The Letter of Engagement would have details about the audit function and by the way would show details of 'other services' which would be provided as requested by the BSAC Council. Have the BSAC Directors read their Annual Report and especially the part on "Directors' Responsibilities"?*

The meeting was closed at 8.25am.