
Council

Minutes of a special virtual meeting by Microsoft Teams Saturday 18 April 2020 at 13:00

Present on Teams:	Craig Poxon	-	Chair
	Paul Applegate		
	Mary Barratt		
	Mark Bayada	-	MDC Chair
	Adrian Bond	-	Vice Chair
	Jack Davies		
	Natasha Higman	-	Treasurer
	Kate Lindsley		
	Simon Soper		
Sue Stanhope			
In attendance on Teams:	Liz Ashley	-	Editor, Skydive the Mag
	Tony Butler	-	Chief Operating Officer
	Angel Fernandez	-	Communications Manager
	John Hitchen	-	Vice President
	Lise Moore	-	Finance Manager
	Martin Shuttleworth	-	Secretary-General (Secretary)
	Martin Soulsby	-	Vice President
Apologies for absence:	Sam Lee	-	EPC Chair
	Jeff Montgomery	-	Safety & Technical Officer & STC Chair (on furlough)
Observers:	Kieran Brady	-	Skydive Strathallan
	Alex Busby-Hicks	-	Skydive Tilstock
	Mike Carruthers	-	Skydive Northwest
	Bryn Chaffe	-	Sky High (Peterlee)
	Martin Harris	-	London Parachute School
	Pete Marsden	-	Skydive Isle of Wight
	Pete Mather	-	Sky High (Peterlee)
	Grant Richards	-	UK Parachuting (Sibson Skydivers)
	Mally Richardson	-	Skydive Jersey
	Helen Simpson	-	RAFSPA
	James Swallow	-	Skydive Hibaldstow
	Gareth Thomas	-	Skydive Langar
	Jason Thompson	-	UK Parachuting (Beccles Skydivers)
	Paul Yeoman	-	Black Knights
	Ben Wood	-	Cornish Parachute Club
Dave Wood	-	Cornish Parachute Club	

Item Minute

50/20 **Fifth special meeting**

This fifth special virtual meeting had been convened to consider the effect on the sport of the national lockdown during the coronavirus pandemic.

51/20 Declarations of interest

Per minute 20.

52/20 Minutes

52.1 Saturday 11 April 2020

COUNCIL APPROVED the minutes (circulated) of the special virtual meeting on Saturday 11 April 2020 (circulated) as a correct record.

52.2 Tuesday 10 March 2020

COUNCIL APPROVED the minutes (circulated) of the ordinary quarterly meeting on Tuesday 10 March 2020 (circulated) as a correct record. This was confirmation of previous electronic approval. Matters from this meeting arising would be covered at the next scheduled quarterly meeting on Tuesday 16 June at 18:00.

53/20 Reports to Council

53.1 From the Chair: Message to members dated 16 April 2020

The Chair reported that he had received more responses from members (circulated) than to his first message a couple of weeks ago, and most were supportive of Council's work and the actions it was taking in these unprecedented times. He planned to send regular updates to members going forward.

53.2 From the COO - Pro-rata membership subscriptions

Tony Butler (COO) reported that the second insurer (see minute 46.3) had now also agreed to a pro-rata insurance premium charge for members renewing for part of the membership year. He would therefore be able to present the schedule of pro-rata membership subscriptions to Council in due course.

Action: COO

53.3 From EPC - Mondial 2020

Mark Bayada (Vice Chair, EPC) reported that the French Parachute Federation had written to the organisers and the International Skydiving Commission (ISC) to request postponement of the Mondial 2020 because of the coronavirus pandemic. This was intended to hasten a decision before the promised time of the end of May. Sam Lee, EPC Chair, had consulted with EPC members and Technical Excellence Advisers (TEAs), following earlier consultation with teams and other members of the delegation.

COUNCIL AGREED that British Skydiving would write to the organisers of the Mondial 2020, copying in ISC (following whatever protocol John Smyth MVO, our ISC Delegate, advised) to request postponement of the Mondial to 2021. Proposed by Mark Bayada (EPC Vice Chair) on behalf of Sam Lee (EPC Chair), seconded by Mary Barratt, carried with a proxy vote in favour, one vote against and one abstention.

53.4 From MDC

Mark Bayada (MDC Chair) reported that he had held a Teams meeting with the chairs of the working groups MDC had established, together with the COO and the Secretary. This was to help plan the work of MDC's working groups under the present conditions in which there was less support available from HQ as half the staff were on furlough under the government's coronavirus job retention scheme.

The coaching qualifications review MDC working group was making good progress with Martin Soulsby in the chair. It had already held a virtual meeting and had its next scheduled for Tuesday 21 April.

Mary Barratt was chair of the MDC working group on equality, diversity and inclusivity. She was also chair of the MDC working group on the review of skills qualifications roadshows. The work of both working groups was progressing by virtual means during the current national lockdown. Mary Barratt was registering to participate for British Skydiving in a virtual conference on women in sport.

The working groups would report to the next meeting of MDC to be held at noon on Tuesday 5 May (followed by a meeting of EPC later the same afternoon), The MDC Chair had written to TEAs to invite them to the meeting, which would now of course be a virtual meeting on Microsoft teams.

The Chair thanked the Chair, members and staff secretary of MDC for keeping its work going during these challenging times.

53.5 From the Communications Manager - digital communications

Angel Fernandez (Communications Manager) reported that online activity was continuing across all communications channels, including the Skydive the Mag YouTube channel which offered content including videos of Expo seminars. This was helping to keep up member engagement.

A highlight was our hero of the day, which each day brought a compelling story of a valuable and varied contribution to the National Effort by one of our members in their professional lives or as a volunteer during the current national coronavirus emergency. He thanked Alex Busby-Hicks of Skydive Tilstock for kindly providing him with source material and asked other PTOs who knew of jumpers who might feature as our hero of the day, kindly to contact him. He also thanked members of Council who had provided contacts or content, UK Parachuting, and member Calum Kennedy for providing content of what had been published as British Skydiving's *Stay at Home* video.

53.6 From the Editor - Skydive the Mag

COUNCIL AGREED to publish the June 2020 issue of Skydive the Mag to its normal schedule. It would be 64pp compared with the normal 84pp because less advertising space had been booked. The issue would be saddle-stitched (stapled) instead of perfect bound to save on production costs, which fell to our production house Warners. As usual, the June issue would be posted only to full members who had renewed and were in good standing (current) at the time the mailing list was drawn from the membership database during May. Proposed by Adrian Bond, seconded by Tash Higman, and carried unanimously.

54/20 Request from Affiliated PTOs for financial support

54.1 First open session

54.1.1 Cash flow and investments

Tash Higman, Treasurer, provided an oral update on the cash and investment position of British Skydiving. She said that reserves were accumulated profit and not relevant to the solvency of a company. The directors were responsible for maintaining solvency and therefore need to consider the cash position rather than the reserves position.

At June 2019, the last published cash and investment values were:

- £2.7m long-term investments and
- £800k cash at bank,

amounting in total to approximately £3.5m.

The high cash balance reflected the time of year of our seasonal business. Most full members would have renewed, and provisional student memberships be taken up by a majority of tandem students, over the good weather months. As the year progressed, this cash balance had been spent, reducing to quite low levels in February after the Expo, in anticipation of renewal income in March and April. This was the normal annual cash pattern for British Skydiving as a company.

Some of the then long-term investments were now short-term and realisable, whereas the bulk was still long-term. At the end of December 2019, the long-term portion had been valued at £2.2m. A valuation of the short-term investments was sought in February when they were valued at approximately £600k. In total this would have been a value of £2.8m, a slight increase since last June, as would be hoped.

The lack of jumping and understandable lower renewal rate and detailed cashflow forecasts had necessitated the disinvestment of the first tranche of the short-term investments to be able to pay our bills in April. At the time of the above valuation this tranche had been valued at £120k. Following the process of disinvesting it, the cash realised from the disinvestment had been £110k. Calculating the loss on these investments on the full rather than rounded amounts, this represented an 8.3% loss. If this 8.3% loss in value was applied to the long-term investments, they reduced to £2m, a loss of £200k.

In summary, the £800k cash at the end of June 2019 had depleted to close to zero as a result of the usual seasonal cashflow movements and reduced income in March. Cashflow had now been topped up by disinvesting short-term investments enabling British Skydiving to meet its April bills as they fell due and not risk insolvency. The remaining short-term investments were likely to be worth closer to £430k with the long-term investments likely to be close to £2m, a total of £2.4m. This reduction from the £3.5m on the last published balance sheet was not as a result of any mismanagement, rather a reflection of the loss in investment value due to the wider economic downturn and a reduction in income from full and provisional members joining.

The Chair thanked the Treasurer for her report which he hoped would enable members to understand Council's decision-making process in formulating its response to the request for financial aid from Affiliated PTOs.

The Chair also thanked the COO for his agreement to work for 80% of his normal salary from the beginning of April (minute 55), even though a massive amount of additional work had arisen in British Skydiving since the start of government restrictions to control the coronavirus pandemic, and half the staff were on furlough under the government's coronavirus job retention scheme to save on 80% of their salaries, with Council making up the remaining 20%.

54.1.2 Petition organised by Affiliated PTOs

Alex Busby-Hicks, on behalf of a consortium of 18 Affiliated PTOs, presented a petition signed by over 10% of the membership to trigger a General Meeting under Article 7.3. He said the motion to be put to the General Meeting was the PTOs' request, as previously minuted, for British Skydiving to make available non-repayable grants of £5,000 per month for three months to PTOs in genuine need, total £15,000 each, such need to be proved to the satisfaction of the Council of British Skydiving. Alex Busby-Hicks said he was looking for a General Meeting to be by way of an e-ballot.

The Chair closed the open session and convened an in-camera session without observers (PTOs etc) for Council to consider its position.

54.1.3 First in-camera session

Council considered Alex Busby-Hicks' request and decided to consult him further in open session to seek clarification on several points.

54.1.4 Second open session

The meeting continued in open session.

The Chair asked Alex Busby-Hicks whether, in the light of the Treasurer's statement on cash flow (minute 54.1.4), his request, on behalf of the PTOs he represented, remained the same. Alex Busby-Hicks confirmed that it did.

Alex Busby-Hicks asked the Treasurer for a written summary of her oral report, which she agreed to provide to him, and to the secretary for use in the minutes.

Action: Treasurer

The Chair said that, as Alex Busby-Hicks had himself recognised, there were a number of practical difficulties at the present time of national lockdown (and any need for some form of social distancing that the government may continue to impose once the lockdown began to be eased), in holding a General Meeting. It was likely that this could be done virtually but this may be quite complicated to arrange and would be likely to cause additional delay.

The Chair asked Alex Busby-Hicks whether he would be satisfied with Council calling an e-vote of members and guaranteeing to be bound by the result of that vote.

The Chair said that Council had consulted its legal adviser. Some members did not have a valid, and some not any, e-mail address recorded on the membership database. All full members in good standing (current members) had the right to vote in a ballot, therefore members without a valid e-mail address, and members who had opted out of electronic communication of British Skydiving company documents (service as opposed to marketing messages), would need to have the opportunity to vote by postal ballot. Council had also consulted Mi-Voice, British Skydiving's independent scrutineers. Mi-

Voice had advised that, to allow time for postal voting, the vote should remain open for 21 days.

Alex Busby-Hicks confirmed that the petition of members organised by the PTOs he represented had called for an e-ballot, and that he would therefore be satisfied with that.

The Chair said there would need to be discussion around the wording of the motion to be put to members and the material presented with it. He was aware that there was some factually incorrect information, based on misinterpretation and misunderstandings, doing the rounds particularly on social media.

The Secretary called attention to the established democratic process of putting a motion to the vote. A clear motion needed to be put, with a summary of the key points from those who were asking members to vote in favour of the motion, and the same from those who were asking members to vote against the motion. These summaries should each be of a broadly similar number of words, to keep them proportionate and the playing field level. This would comprise the official voting communication.

Other communications, on social media or elsewhere, could provide further background but were not part of the official voting material. Other communications could include what might be termed campaigning. The official voting material needed to be agreed by both parties as presenting members with a clear motion on which to vote with a fair summary of the positions for and against the motion. This was to give each voting member the evidence on which to make up their minds and decide on which way they wished to vote.

The Secretary said the vote should be announced as soon as possible to allow members who wished to vote but had not yet renewed to do so, and new members to join, before the start of the vote. The COO suggested allowing about a week for this. He said that, once the contact details for members in good standing had been pulled off the membership database and securely passed to our independent scrutineers, it would not be practicable to add members during the period that ballot was open. Exact details of the motion to be put to members need not be settled at the time of announcing that a ballot was to be held, and that voting in the ballot would be open to members in good standing on our register of members as at a particular date, such date being at least several days after the intention to hold a ballot had been announced.

54.1.4.1 Membership vote

COUNCIL AGREED to the Chair's suggestion that the intention to hold a vote of the membership should be announced on Monday 20 April, such vote to be open to full members in good standing on British Skydiving's register of members at close of business on Friday 24 April. Council agreed to be bound by the result of the ballot. Alex Busby-Hicks, on behalf of the PTOs he represented, agreed to this.

The Treasurer summarised the measures she was taking to improve British Skydiving's cash position in the light of a sharp downturn in income. It would take a little while to disinvest another tranche of short-term investments that may require hard copy documents with wet signatures to be served by post, which had been the case with the first tranche of disinvestment. Therefore, if the membership was in favour of the motion that Alex Busby-Hicks was proposing, it would be likely to take a little time for the cash to be available at bank.

54.1.4.2 Further discussion of PTOs' request for grants

Alex Busby-Hicks expressed concern that Council had mis-read his correspondence over the past few weeks. He said that, far from there being 18 or 19 Affiliated PTOs applying for a loan of £15,000 of £5,000 per month for each of three months, the actual number of applicants was likely to be nearer five PTOs. And it was for British Skydiving to satisfy itself that applicant PTOs were in genuine, urgent need. So, Council's assumption that most or all PTOs might apply was a disappointment to him.

Grant Richards (UK Parachuting) re-iterated what Alex Busby-Hicks had said, noting that his own PTO did not need to apply to British Skydiving for a grant: rather, he was supporting other PTOs, there was solidarity between PTOs on this. For the avoidance of doubt, PTOs were asking that the £15k grant facility should be available to all, and not saying either that all would apply for it, or that all who did would necessarily satisfy the

due diligence of British Skydiving. Grant Richards said it was possible that only about three or four PTOs may apply.

The Chair said that Council had not assumed that all signatory PTOs would apply but rather it was appropriate for prudent financial planning to make provision for the maximum drawdown of grant. It would have been irresponsible for Council to offer a package of financial aid that it might not find itself able to honour, however remote that possibility might be. The Chair also noted that the PTOs had been asked on more than one occasion to nominate those most in need from their number so that they could be assisted as a priority.

The Chair said this pointed to the need for British Skydiving to be better aware on the likely call for financial aid from PTOs in aggregate. He appreciated that this would involve PTOs in providing British Skydiving, in confidence, with commercially sensitive information, that PTOs would not wish to share in an open forum such as this meeting.

COUNCIL AGREED to write to each Affiliated PTO to enquire of their anticipated need for any financial aid from British Skydiving, and if so an indication of the amount and form (non-repayable grant or interest-free loan); and asking too that these PTOs that did not envisage calling on British Skydiving for financial aid, should also let us know as a nil return in the short-term was equally significant for Council's planning. The response to this consultation with our Affiliated PTOs would help Council better to quantify the amount, form and timescale of financial aid that PTOs were likely to require. See also minute 54.1.7.6 regarding an additional paragraph to be included in the letter to several PTOs who were currently among our trade debtors.

The Chair said that if it turned out that the volume and value of prospective grant applications fell significantly short of the £70k provision for grants in DZDF, Council would be content to reconsider the £5k DZDF grant cap per PTO. Another factor to bear in mind, however, had to be that we did not know for how long the current challenging business conditions would continue, so if we spent out on immediate support, there may be nothing left if business conditions deteriorated in the event of even tougher times to come.

COUNCIL AGREED that PTOs could apply for non-repayable grants from DZDF of up to £15k in total, but over time, each application limited to £5k with at least a month between each application.

The Chair ended the open session and the meeting continued in camera without observers (PTOs, etc).

54.1.5 Second in-camera session

COUNCIL AGREED that, if the response to consultation with Affiliated PTOs on the financial aid they were likely to require from British Skydiving (minute 51.1.4) made this possible within the capacity of DZDF, to modify the criteria for a PTO to apply for a non-repayable grant from DZDF from the current cap of £5k per PTO, to £15k per application by a PTO, applications to be no more than once each calendar month. Proposed by Mary Barratt, seconded by Kate Lindsley, and carried with two abstentions.

54.1.6 Third open session

The Chair reported Council's decision in minute 51.1.5 to the open meeting.

Alex Busby-Hicks thanked Council for this much better understanding of what had been requested by the PTOs he was representing. He appreciated that the DZDF pot of £70K may not be enough to satisfy all eligible applicants, which is why there was a need for a membership vote (minute 54.1.4). In response to a question from the Chair, he declined to drop his request, on behalf of the Affiliated PTOs he represented, for a membership vote. The Chair noted that if all PTOs successfully applied for a £15K grant (financially, the worst-case scenario), a pot in excess of £400k would be required.

The Chair ended the open session and the meeting continued in camera without observers (PTOs, etc).

54.1.7 Third in-camera session

The Treasurer reported on her liaison with our financial legal advisers Muckle, including on templates they had provided for a loan agreement, a chattel mortgage and the board minute of a chattel mortgage in order for it to be officially recorded at Companies House. The templates, with comments annotated by the Treasurer, and a covering explanatory paper by the Treasurer, had been circulated with the agenda.

COUNCIL AGREED to:

54.1.7.1 a flexible loan repayment schedule recognising the seasonality of PTOs businesses and customised to meet the needs of each borrower, with the start of repayments on a mutually agreeable, case-by-case basis, some time after normal, or at least some, operations had restarted;

54.1.7.2 the standard clause in the loan template permitting the elaboration of the purposes to which the loan should be applied beyond the purposes of general working capital should not be elaborated on, as this would already have been covered by Council's arrangements, through its Finance Group, for due diligence;

54.1.7.3 security being provided by a chattel mortgage secured on kit of appropriate value such as tandem rigs, such security to be determined on the recommendation of Council's Finance Group in consultation with suitably qualified experts on the rigs;

54.1.7.4 noting that chattel mortgages were often used for industrial machinery, and that the existence of such a mortgage on a machine was typically signified by the fitting of a plate attached thereto, an entry would be made in the 'blue book' (Tandem equipment main parachute packing/inspection log and 100 jump equipment inspection) that accompanied each tandem rig used as security for a loan to say that it was mortgaged to British Skydiving;

54.1.7.5 Council's definition of the term 'PTO' was broadly interpreted, for this purpose, to cover what might be termed 'the whole Drop Zone'. But, under Financial Conduct Authority regulations, loans could only be made to limited companies. Arrangements for financial aid for any individual PTO would be interpreted as being for any one, and only one, entity associated with that PTO;

54.1.7.6 interest would be charged on the amount in default on late repayments at 2% above the Bank of England base rate at the time (currently 2.1%, as the current Bank of England base rate was 0.1%). This was in accordance with the provision set out at Article 4.2.3. Council would donate any interest accrued on late payments to DZDF.

Proposed by Tash Higman, seconded by Paul Applegate, motion carried. Mark Bayada and Simon Soper abstained because of a conflict of interest (minute 20).

Because they were conflicted, Mark Bayada and Simon Soper left the meeting for the remainder of this in-camera session.

54.1.7.7 PTOs who are trade debtors

A confidential paper from the Treasurer on PTOs who were trade debtors to British Skydiving had been circulated to non-conflicted Council members with the agenda.

COUNCIL AGREED that PTOs who were our trade debtors and were applying for financial aid in the form of grants or loans would be required to acknowledge their debt before their grant or loan application would be considered; and that in our letter to all PTOs (minute 51.4.4), a paragraph would be included to each PTO who was one of our trade debtors stating the amount of their current debt.

Further, if a PTO with a trade debt to British Skydiving were to qualify by due diligence for the offer of a loan, their existing debt would be rolled into the loan on the same interest-free terms with a sympathetic and flexible repayment schedule.

Proposed by Adrian Bond, seconded by Mary Barratt and carried by all voting members present.

54.1.7.8 Applications for grants and loans from Affiliated PTOs

The Treasurer reported that grant G1 for £5K from DZDF, agreed by Council last week (minute 47.2.5), had now been paid over to an Affiliated PTO to provide them with

emergency short-term cash whilst they were awaiting receipt of government grants that should enable them to survive. The PTO had asked that its thanks be passed to Council for providing it with this emergency support. The PTO had added that it did not currently anticipate that it would be making a further call on British Skydiving for financial support.

55/20 British Skydiving staff

Mark Bayada and Simon Soper re-joined the meeting at this point.

The Chair reported that half the British Skydiving staff continued to be on furlough. The COO would review this at the end of next week. Some of the staff who were still at work were working almost double shifts.

The COO had agreed to work for 80% of his salary from 1 April for three months, notwithstanding that the coronavirus situation had generated significant amounts of new and additional work that had to date been far in excess of the reduction in his routine work on hold for the time being. The Chair thanked the COO on behalf of the Council for this generous gesture.

56/20 Dates of future meetings

The next virtual special meeting was agreed for one week's time, Saturday 25 April 2020 at 13:00 by Microsoft Teams.

Previously scheduled meetings were for Tuesdays at British Skydiving HQ, Leicester LE2 9TF: 16 June, 15 September and 24 November. However, physical meetings were suspended whilst government restrictions on social distancing remained, so these dates were now reserved for virtual meetings by Microsoft Teams.

The meeting closed at 16:54 (duration 3:54).