



**ABA OF ENGLAND LIMITED BOARD MEETING**

**DATE: Friday, 7<sup>th</sup> June 2013**

**Venue: Boxing Meeting Room, EIS, Coleridge Road, Sheffield, S9 5DA**

**Time: 12 noon**

<p><b>Item 1</b></p>	<p><b>Present</b></p> <p>Voting Attendees:-          (Present in room):- R Caborn - RC (Chairman), D. Newth – Tyne Tees &amp; Wear (DN), H. Herbert – North West (HH), S. McHugh (SM), J. Donnelly - Midlands (JD),</p> <p>(Present by teleconference line):- D. Chapple - CSBA (DCh), M. Milner (MM), F. McKelvie (FM),</p> <p>Non- voting attendees;- M.Abberley - MA (CEO), J. McGeachie (JM) - Solicitor, P. Smith – Sport England (PS), H.McCluskey – Sport England (HM),</p> <p><b>Apologies</b></p> <p>Voting:- D. Rulten - Eastern (DR), F. Keyani - Home (FK), T. Goreham - London (TG), A Lynch – Merseyside &amp; Cheshire (AL), D. Cockell – East Midlands (DC), H. Slater – Southern (HS), M. Ryan - Yorkshire (MR), A. O’Kane - Western (AOK),</p> <p>Non-voting:- K. Walters –KW (President), G. Valentine- PBA &amp; Staff (GV),</p>	<p>I = Information          D= Decision          on          A= Action</p>
<p><b>Item 2</b></p>	<p><b>Chairman’s Statement</b></p> <p>RC confirmed with the solicitor that the meeting was in quorate, with 4 executive directors and 4 non-executive directors in attendance. This was confirmed.</p> <p>He addressed the attendees and requested that he make a statement, as follows;-</p> <p>This is the deferred meeting from 8<sup>th</sup> May. At the last board meeting the actions of the board showed very clearly the breakdown and disconnect of the trust and understanding as far as the ABA was concerned. I had given my assurances to Sport England (SE) that we could be working in a harmonious and strong partnership as far as governance is concerned. I had defended and argued with SE for direct and regional representation to the board and I was wrong on that, no doubt and pushing Sport England to that position was wholly my fault. The letter from SE on 22<sup>nd</sup> May has clearly outlined that this was an unacceptable position for the Board to be in. If anything has shown that disconnect, fault line, then the absentees today, as shown by that list, does.</p> <p>After that meeting, as disappointed as I was that the meeting hadn’t turned out the way I thought it would, I can say that I was approached by executive members, non-executive members, by staff, by Sport England and quite a lot of representation made to me from outside of that meeting and, based upon that, I have said that I will not be sending in the letter necessary to resign from the ABA and as such will continue to operate as Chairman of the ABA for as long as they want me to do so. I just wanted to put that on the record very clearly, because of that type of representation and I believe and would hope to continue the</p>	

modernisation programme that we set off several months ago.

HH – Can I just clarify one point on the first issue, apologies. I am not sure what apologies you have had but HS called me at home and said that he did not think his emails were getting through and he asked me to put in his apologies.

Rc accepted HH's point and requested that the meeting moved to the Agenda and to go through the implications of the decisions that have been made and they are;-

Se are no longer funding the Whole Sport Plan and have not done since April, that is because of the reasons of the governance of the organisation. The understanding is that the rest of the WSP is acceptable and it is the question of governance that is the issue with SE, which RC takes responsibility for. But there are now consequences of that.

SM stated that he had not been aware, until the meeting with PS & HM at the start of May, that the ABA were not actually being funded, and that that had been made clear to RC and MA sometime previously and that we have not actually been funded this year. So it was not a case of the tap being turned off but that it had never been turned on.

RC stated that the ABA had been funded until April and he had recorded over the last 15 months the dialogue that had been going on, it is well documented in the minutes.

SM :- It is well documented that there was an issue with SE 's feelings around our governance, but what wasn't documented was that you two knew we were not being funded from 1<sup>st</sup> April and you didn't say anything to the Board.

RC – that is true. What I would say is that I was trying to get to a resolution of that and I thought I could get to a resolution of that and I would have got to a resolution, I am sure, if it had not been for the intervention of the issues around BABA, which brought it to ahead and muddied the waters

SM: I think you two should acknowledge in some way and should provide a report to this Board and say why you didn't tell us. It has put all of us, both the executive and non-Executive in a very difficult position financially. When were you going to tell us about this – when the money ran out?

RC: I accept the responsibility and the gravity of what you are saying and I will document this, but I had challenged the policy of SE and had asked to meet the Board of SE, to discuss the policy of why they would not allow a direct representation onto boards. I took it to that level and I will document all of that and give you all the information I put to SE.

SM : that is not the point. You jeopardised our position by not telling us and I want you to tell the board at a future meeting why you did not communicate that to us.

RC I will do that, I will document the circumstances that have led up to that, but it is not as black and white as you have indicated. I will provide a report.

RC then informed the meeting that a further letter from SE laid out very clearly what they are requiring now to put the tap back on and that PS would speak about that, then JM would go through the steps ABA could take to put that tap back on in compliance with the letter and the desire of SE.

PS stated that of the 46 sports there was only one sport who did not have a plan for change to achieve the governance standards that SE required.

HH stated that the ABA did have a plan, in January, and was PS stating that the plan was not acceptable, as a plan for change and that ABA now needed an "acceptable plan"?

PS stated that he thought that was semantics, but for the purpose of this meeting he was

saying yes. He went on to say that JM would circulate a list of points and that, for the record, those points, if ABA were to achieve them would see ABA reach the standards SE required and would be considered an acceptable body. PS also stated that he and HM had worked with the CEO and Chairman in the interim period leading upto this meeting to ensure that what was put in front of the board today does reach those standards, because the original proposal did not meet those requirements and was not an acceptable plan.

RC requested that JM go through what options there are now, in light of the financial situation, that the directors are responsible for both independent and corporately.

JM stated:-

- SE have not provided any funding since April
- There is a serious funding crisis to be resolved quickly
- Directors have, by law, to take all reasonable steps they can, with all due speed, to resolve the situation
- ABA have breached the position with the principal funder (SE)
- There is a proposal that SE would be happy with, if it were implemented
- Directors should focus on that plan and determine whether or not they are willing to recommend that the plan be put to the broader membership in accordance with the Articles.
- If they do recommend that, then a timetable should be agreed at the end of today to put that to a vote and then the Articles will be changed or not changed

HH asked if it was possible not only to focus on but also to challenge the points, in a constructive way, as he believed the points also sometimes went outside of the requirement.

RC requested that JM read each point to the board

DN asked for two points to be considered:-

- If the Board agree to this today, does ABA get a concession from SE?
- That he agreed with the skills based and open recruitment issues but requested that some portion of the Board was made available to individuals who have been registered on the ABA database continuously for at least 3 seasons.

DN asked if that would be acceptable for a proportion of the board?

PS said yes

HH stated that he agreed that experience was required and this should come via the skills based assessment. He commented that he would not want, for instance, 2 people with a boxing background surrounded by people who have been selected for through another motive. The selection process would be very important and the voice of the ABA membership should be their voice and not that of the professionals, who are doing a damned good job running our organisation. The voice of our membership should be that of our membership and I would add that there should be some form of election, even if it was only for roles such as the Chair for the portfolios. I would be happy if that was included.

DN stated that he was ashamed and embarrassed to be a member of the ABA with the misinformation and things that are being said out there. It is all well and good to say we will modernise this , change this etc. Members should vote for those places/roles - that it should be one member, one vote and it should be a national election

JD commented that he thought that the right candidates would come out in the skills based selection

DN stated that the membership should have the concession to vote.

SM agreed with DN that we do look a shambles to grass roots and hoped that SE would

agree that we should look first at the existing board members' skills sets, to see if they exist in the members already there, for continuity purposes so that the ABA does not continue to look a shambles to its members.

PS agreed that skills based selection is open to current members as anyone else. To DN he says that what is being suggested here today is that your Board should be full of boxing related people who are appropriate skilled, but it should not be a token boxing director with others recruited to fill the other skill such as financial etc. Ideally everyone around the table would be from the sport of boxing, but they must have the skills required of the board to be there and if you want an election for several of your members then you could have that.

DN – I agree with you 100% but there is a lot of misinformation out there, but I still maintain that one board member (and only one) should be voted in by the membership, if there is support for it. They would not get supported if they did not have the abilities.

SM: A lot of boxing directors are not here, but would it be possible to let them (the current boxing directors) come up with the 6 criteria that we select their members from?

PS: You should do that as a board. I do not think you should delegate this to a group or individuals – you should do this collectively as a Board to determine how your new board should look

HM: This is something that an expert could help you with

JD – Surely that's for the next board meeting - to determine the structure of the board

RC: The principle decision here is do you go from elected to non-elected (ie selected) board members. Excepting the nuance that DN has put in, broadly speaking you are going to have a skills based board – totally different from your elected regional representation. We have to come to a view of which way we go. Election – or skills based?

PS You can have that conversation but of course you cannot tell the electorate what they should vote for. You can and must give them the full and correct information.

RC – The fundamental issue is that we are moving to a skills based board. It is also bringing it down from the regions to a board of no more than 12, which rules out the regional representation. JM can now bring us through the things we can do to achieve those objectives

JM – The Board needs to come to a decision today as to what it is going to put to its members. The Board needs to have a discussion with SE to ensure that it has an understanding as to what “appropriately skilled” means to both parties.

DN is there anything in writing that with a skill set that applies to boxing

HH I recall, when the positions were made available last year, receiving a letter with a list of non-boxing related skills, saying if you can tick some of these boxes you can apply

RC confirmed that this was the generic skill set from SE, which DB had circulated at the time of requesting applicants

DN commented that this was true but that the skills “testing” was a self test that had never been tested at election/otherwise.

PS stated that the way around that is the selection process – that is where the testing would be done.

JM : The process form here then the Board understand the broad requirements and are making a fundamental decision today, they then coalesce around a resolution to change the

articles, as soon as possible and incorporate the precise wording and numbers that you are asking the members to vote on. The documents should be in place within the space of the next 1 to 2 weeks, then put that to the members saying this is what the board is recommending a whole. You have the vote at that point, either by meeting or a as written resolution (some prefer a physical meeting)

SM - can we ask the boxing directors to meet in the next week or two weeks to give us the skills they require for the positions on the board, then have an interview panel to interview the applicants on those skills to see if they have the fiduciary requirements we need.

RC – we cannot afford procrastination on this or we will find ourselves in financial difficulties. I cannot say that there is a will out there to help and co-operate to develop partnerships , hard as it is to say that. As Chairman, those who have turned up today should be making the decision to bring this to a resolution. I honestly believe there is an appetite out there for some modernisation and some don't like it. I think those of us who are willing to do this should lead. I don't mind consulting on this and I will put myself out to consult and have done.

SM asked what the others thought

DN stated he is of the view that we can make this as complicated or as simple as we wish. He gave his thoughts on the skills for some of the roles.

SM – we need 3 quarters to agree to this.

DN – if we go back and say what we won't, some of them will start working out how many are needed for a quorum etc. The reason some people are not hear today is because they are playing silly buggers and that is wrong, given the position we are in today.

MA referred to the comment by SE earlier, which indicated there would be a condition that an expert would be made available to work with the Board to assist in producing the skills sets required. He asked if SE representatives foresaw that the Board would leave the table today with a formed resolution, to go to an EGM and the AGM or that the expert would meet/work with the board to make the resolution at a later meeting.

PS: You can only go to your members with a fully formed and detailed, agreed resolution. I do not think that you can do it today, unless you believe you can within the next half an hour, which is unlikely, but you need to do it quickly given your current financial imperatives.

RC we would want to be going to a position where we have a draft resolution within the next 7 to 10 days, with a view to reconvene the board to consider that draft resolution, which will give the other Directors an opportunity to come into that, we will then take that draft resolution to a resolution (or not as the case may be), but the meeting will be solely to deliver a resolution. JM will deliver a draft resolution for consideration by Se and the Board. This will come back to the Board for making into a resolution to go to the members. This I think covers DN's & HH's proposition re skill sets etc) as people will be able to come into contribute to that. We now have 7-10 days period to draft the resolution, which will be circulated to the Board as a draft resolution, to be agreed to become a firm resolution in the space of two weeks, We will call another board meeting, that will be put as a resolution that we will put to the membership.

Any against in terms of drafting and/or timetable . All agreed to above.

MA asked if there was a view on the timetable if an expert were to be required to be involved.

### ABA's financial situation

JM talked about solvency/insolvency aspect. The view JM takes is that ABA are not balance sheet insolvent on the figures that they continue to pay debts as the payments fall due, but that is a rapidly diminishing situation. ABA have to come to a resolution with the members re the restoration of funding as soon as possible, if they do not accept the resolution as put, then the Directors have no option but to meet to cease trading. The issue is then is it a solvent or insolvent position, which will depend largely on redundancy numbers and so on. One of the things that the directors need to understand is the financial consequences of a decision to cease trading.

RC gave the context of that situation as follows; "we will have a draft resolution to be discussed as a board in two weeks and agreed/amended or whatever and circulated by written form to all ABA members, to be determined/voted on by all those members who are qualified to attend the AGM (this essentially is the regions). They will have an opportunity to vote on this before the end of July. I am saying that because it shows that we want to bring this to a conclusion and, if challenged in "have we acted responsibly"?, we can show that we have, both in terms of being fair in trying to get a resolution with SE and the membership, in co-operative ways and have put a timetable on it that is not procrastinating. Are there any views on that?"

JM: That is reasonable but we need some form of certainty from SE

SM: I think we can be more radical than that - there are a number of costs that we incur that are directly funded by SE and until we can get confirmation that SE can commit to fund those costs we should think of cutting back immediately, particularly those positions which are funded by SE, as of today's date

RC – we have to be practical about this. Is two weeks reasonable to get the board together? Yes. We then have to circulate that with all the back and so people know what the implications of that are and the requirement of 75% to pass the vote and what they are voting for or against – this has to be completed before the end of July.

The next thing is, what are our liabilities and commitments up to the end of July and who is funding those now and is that funding stream legitimate. There have been discussions around us funding whether we have been using funds to support the WSP plan out of affiliation fees and whether that is a legitimate use of affiliation fees.

JM there are certain parts which have been funded by SE which are not being funded. For clarity is it possible to look at cash balance and say that is only affiliation fees?

SM you look at sage and can track back income and everything you have had in to eliminate that and get the cash balance.

JM suggests that the directors get on top of that and can come back and say that you did not have the authority in April, May and June to spend that money. The Directors can be said at the moment that they are acting reasonably, that deals with the insolvency practitioner side of things. Regardless of this, has the money that has come into the bank been spent in the correct areas. Was it in the scope of our general authority to spend our money in this way. You need legal advice as to whether there can be any taint of misuse of funds.

SM – we committed to these costs because we had SE funding – now we do not have SE funding so why are we committing to these costs and what are SE going to decide?

DN asked PS if ABA agree to this resolution that we are discussing today – are you going to be able to turn the tap back on for us?

PS – there are a number of hurdles for ABA to clear before I can give you a funding award agreement to sign. Your signing of that award agreement is what triggers us having a

contractual agreement and I can start paying you again. The hurdles are;-

- 1) That you reach a point where you, as a board, vote for change and that change broadly meets the principles of governance discussed today
- 2) You take advice and produce a precise resolution , about the nature of that change and that it meets these principles
- 3) When you propose that resolution to your members at that point we have a commitment for change by the ABA

At that point the period of time between making the proposal to your members and them voting on it may be very short and in that case I will only be able to give you a very small amount of funds, because if the members say no you are back to square one and our funding relationship will cease.

DN – if we have a commitment to change from this board today, could we have something?

PS – No. You need to examine your financial position and inform me of it s implications versus the timetable for change.

JM – addressing Shaun’s specific issue, given the position that the tap is not being turned on until the resolution has been passed what do the directors do in relation to future spend which on the face of it is unfunded and may not be funded.

RC: when the issue of funds and the balance sheet was raised to me no-one questioned where those funds were coming from, I hadn’t thought about that and it is only this morning that someone has raised this with me, ie in the absence of SE funding is it legitimate to keep the ABA afloat using those affiliation monies, I don’t know. I need advice

JM: yes – you need advice but when the board meet in the next two weeks, if it is determined that you do have an allocation issue, the directors may need to consider at that meeting that they have no option that in the absence of certainty in Se funding these are the consequences and the question of redundancies comes in.

RC – we can get that advice in a matter of hours. Is it legitimate, where costs are being incurred in areas which were funded by SE, for the board to carry on incurring those costs whilst they are being paid out of affiliations? We will ask for that advice by close of play on Monday. If that is wrong we will have to act to start issuing redundancy notices. To be clear, you are instructing me that if that position is wrong, that we are finding SE costs/projects with ABA affiliations money, then we would have to issue redundancy notices to all staff

RC – is that agreed?

JM – I would need a copy of the funding agreement

SM - to all those who are funded by SE

MA – that is all staff

MA – We would also need to stop all programmes funded by SE monies

JD - Thats very dramatic isn't it?

DN – we are taking advice here and if that is what is advised then we have to.

RC - asked what the alternatives were? Are we all comfortable with that?

JD – what is the membership paying for? We pay to be members of the ABA, we then pass the authority on to spend that money as they think fit.

JM – My approach is not from the basis that this is a problem. In Club and Membership law in general the directors have a huge discretion normally, in law. I don't want this to be portrayed as a major issue, it's just not simply that it is a solvency issue. You need to show that you have addressed it. My expectation is that you will not have a material problem, but if it comes to a meltdown, you will need to show that you have addressed it, if the question is asked later on

RC – JM that is reassuring - that the worst case scenario, which we do think may not arise, is that we may have to lay off staff, but there may be some room in the advice we get which will be reported back to the board.

SM – it will be that we will be giving them notice of potential redundancy, not that we are making them redundant.

MM – we put them “at risk of redundancy” and then, if necessary later, put them on notice if we do not need to make redundancies then great, we can change that notice

RC – It is a matter of acting responsibly. I will get the opinion on Monday night and then we may have to put the staff in notice of redundancy.

MM – the advice may be that we should put them on notice of risk of redundancy whilst we try and sort things out, but we may have to put them on notice of redundancy later.

RC – If I do get a fairly hard decision and then I may have to come back to you Mel and others to show we have acted in a reasonable way.. Is that agreed?

None disagreed

RC summarised the timetable, as agreed above, for production of the resolution for sending out for voting, for their consideration for voting and with consequences for voting for and against, to be concluded before the end of July.

SM – why not end of June

MA - you have to call an EGM and you have 21 days to arrange voting for that resolution.

RC – we should have a written resolution. I will put out to the rest of the board that there will be a board meeting in 2 weeks' time to consider a draft resolution to put out to the qualified members of the ABA who can attend the AGM to make a decision before the end of July as to whether they accept or reject that resolution. The resolution should be commented on by SE but will be compliant as to their requirements

HH – so in two weeks' time we will be having a meeting to vote on what we have voted on today? Why can we not do that today?

RC because there are issues re the content as per skills required and these will be contained within that resolution, specifically so that people know what they are voting for.

PS – you could stay and work out the detail of that, but the best chance would be in consulting with your other board members in order to agree the content.

RC - as I mentioned yesterday the BABA have voted fully for their new constitution which enables voting by 6 boxing, 6 non-boxing directors and the Chair with a casting vote. This was because the alternatives were not agreeable. This needs to be voted for by Monday and if agreed this will be in place until Rio.

SM – this is what we want isn't it – that it will be in place smoothly until Rio

DN – some clubs applying for Inspired facilities have asked me if this will affect them.



PS – No. our priority is funding of grassroots boxing, preferably through the ABA, but if the ABA is not in a position to do that then we will find another way of delivering that funding, probably direct to clubs.

RC – for final confirmation, there will be a draft resolution drawn up, which will be circulated and become the agenda item for a board meeting will be called no later than 2 weeks from now, on the agreement of that, to be able to put out for voting on, to the membership, to be concluded no later than end of July.

JM – if the vote is no, then the advice would be immediate cessation of trade and it will then appoint an insolvency administrator/practitioner, to determine as to whether this is a solvent or insolvent position. The administrator would come in and take custody of the assets and the Directors will be side-lined.

MA – What I will need on Tuesday is a clear directive from the Board on how they want us to trade and operate. We could stop activity to limit the risk to the Directors, but I will need a statement from the Board on how you want me to act and what you want to tell the staff.

RC - I am instructed now to ask about the two funding schemes. If they are not ones that would create major concerns we will continue to trade normally, if the information is stark that we should not do this, then I will contact Mel and we will discuss and make arrangements to put the staff on notice as to risk of redundancy until the Board meeting that we will have two weeks later.

SM – generally you have to keep on cutting costs and do the absolute minimum, as per my suggestions in my email last week, such as collecting up the company credit cards - have you done that yet?

MA – no I have not, I have not had a board directive yet. I would like a board to give me a directive. If you want me to ring up staff and tell them to stay at home and not incur any expenses then I ring them up and tell them to do that. If you want me to stop corporate spending then I will do that, but I think it is important for SE to know that we are going to operate the NGB like that and I think it is important for the Board to know that we are going to do that. I will carry out the directive of the Board of directors, rather than you as an individual. If the Board tell me to do that I will go away and do it now.

SM – My suggestion was to do the absolute minimum, cut costs where we could and not to commit to nothing that we did not need to do essentially until we know the outcome of the current situation

RC – That is the right thing to do. I said to Mark in response to your email that yes, take every step possible to cut costs and not commit to anything new. In response to your request to collect the credit cards in Mark was coming to London to meet with SE and he called me and asked who was paying for his trip.

SM – We could have stopped the auditors but we didn't that's another £5-6k that we didn't need to spend, if we are going into administration we don't need an audit do we?

RC – All I did say to him was to take every step possible to cut costs and not commit to anything new, but we don't want that at the expense of the organisation not being able to function. I tried to take a common sense view of that, protecting the costs but enabling the organisation to function.

DN – I have various clubs wanting to go to Ireland next week and we need various permissions. If cutting costs means stopping the boxing from going ahead?

SM – we are here to do the boxing, I get it and that would be an essential function for that

JM– in this situation the best practice is that the directors have to decide to minimise their expenditure but be consistent with maintenance of the fundamental objective of the organisation. If you cut costs now which destroy the fabric of the organisation you might as well cease trading. SM's point is there is a difference between that and "carry on as normal". If the directors say that it is reasonable for us to continue to trade that would seem to be an expenditure that was necessary.

DN – permission to box abroad does not cost anything but what costs is the member of staff to deal with that issue, we are in great danger here of saying we don't need that person and we don't need that person and people around this table don't normally deal with the coal face of boxing. Only when I get a club on the phone saying we've paid for flights but we can't go because there is no one on the end of a phone to deal with this for us, because we have cut the costs too far - that's why if we are going to do it, it has to be proportionate and boxing has to be relevant to this.

RC – I get the points you are making and in this instance I did not take the credit cards way as that would have resulted in the seizing up of the organisation. I will activate the point you are making. Can I put the following resolution to a vote – that we have the draft resolution drawn up with a view to presenting it in two weeks, circulated to the Board, with a view for that resolution to be circulated to the membership before the end of July, by written resolution, with back up documents?

JD - once we have decided that the resolution is going to go forward to the membership, what are the mechanics of the resolution going to be, as to whether it is agreed or otherwise? Is it going to be a vote per region i.e. Midlands – 1 vote, or Midlands 45 in attendance, 45 votes.

MA – that will be in accordance with the stated ABA AGM in the Articles

RC – How the regions call their own vote is upto them. If you want to call a meeting and have a vote and count, or you can take the block vote and vote like that.

MA – the members are the regions and the CSBA – they each have one vote

RC – the regions are the members.

RC – Is that proposal regarding the resolution agreed? Does anyone have any questions?

All attendees in favour – carried unanimously.

RC – Carried unanimously, I will make arrangements for that resolution to be drawn up and dealt with accordingly. Mel, I may be in touch with you following advice next week. The meeting is now closed.