

British Skydiving
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Council

Minutes of a special virtual meeting by Microsoft Teams Saturday 25 April 2020 at 13:00

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|--------------------------------|---------------------|---|---|
| Present on Teams: | Craig Poxon | - | Chair |
| | Paul Applegate | | |
| | Mary Barratt | | |
| | Mark Bayada | - | MDC Chair |
| | (to item 62.2.3.3) | | |
| | Adrian Bond | - | Vice Chair |
| | Jack Davies | | |
| | Natasha Higman | - | Treasurer |
| | Kate Lindsley | | |
| (to item 62.2.3.3) | | | |
| In attendance on Teams: | Liz Ashley | - | Editor, Skydive the Mag |
| | Tony Butler | - | Chief Operating Officer |
| | Angel Fernandez | - | Communications Manager |
| | Lise Moore | - | Finance Manager |
| | Martin Shuttleworth | - | Secretary-General (Secretary) |
| | Martin Soulsby | - | Vice President |
| Apologies for absence: | John Hitchen | - | Vice President |
| | Sam Lee | - | EPC Chair |
| | Jeff Montgomery | - | Safety & Technical Officer & STC Chair (on furlough) |
| | Simon Soper | | |
| | | | |
| 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 |

58/20 Declarations of interest

These would be taken in the in-camera session. See minute 62.2.3.3.

59/20 Minutes

COUNCIL APPROVED the minutes (circulated) of the special virtual meeting on Saturday 18 April 2020 (circulated) as a correct record.

60/20 Reports to Council

60.1 From the Chair: Message from the Patron

The Chair said Council was grateful to have received a letter of encouragement from our Patron, His Royal Highness the Prince of Wales.

60.2 From the Chair and the Secretary - Legal advice received since last Saturday's Council meeting

The Chair and the Secretary reported on legal advice they had received and shared with Council last Tuesday, 21 April. The advice had arisen from the Secretary providing the draft minutes of the meeting on Saturday 18 April to British Skydiving's constitutional legal advisers, Wright Hassall. The legal advice was that Council, having been duly requisitioned under Article 7.3, came under a legal duty to call a General Meeting of Members.

The Secretary outlined the arrangements the legal adviser had suggested for a General Meeting under government restrictions on gatherings, which was to say the current national lockdown and continuing social distancing measures that were widely expected to continue for some time beyond the lockdown.

The Articles did not provide for General Meetings to be conducted virtually. The quorum of a General Meeting was six members (Article 9.3). This meant that six members would need to be physically present at one location, with social distancing measures in place between them. No further members could be admitted, as under national lockdown (and possible continuing social distancing measures that might continue for some time) it would be an illegal gathering that would have to be dispersed causing the General Meeting to be dissolved so it could not take place.

Alex Busby-Hicks, speaking on behalf of 18 Affiliated Parachute Training Organisations (PTOs) whom he represented, said he and the PTOs had no wish to prejudice their or any other member's safety and wellbeing during the coronavirus pandemic by non-essential travel to physical gatherings that were currently against the law, and the Chair shared his concerns.

The Secretary outlined the reasons why the Articles permitted virtual meetings of Council (Article 19.1: [...] At least one meeting where the Council is present in person must be held every year) but the legal adviser had said that this did not apply to General Meetings unless the Articles made specific provision for it. It was a matter of practicability in terms of General Meetings (including AGMs) which were typically larger, sometimes far larger, in their number of participants, as voting members, than Council meetings.

The Secretary observed that Council currently had 11 voting members and there was no doubt in his mind of the identity of those who were present at this virtual meeting of Council, of their eligibility to vote, or of the fairness and veracity of the arrangements for the votes to be counted and the result of each motion to be faithfully declared. He contrasted this with a General Meeting, which could have hundreds of voting members taking part (over 500 members typically attended the AGM).

Therefore, arrangements to conduct a General Meeting under the current lockdown and the continuing social distancing measures that were expected to extend beyond it, were rather like walking a tightrope between the provisions of the Articles and the coronavirus emergency legislation preventing gatherings. And this did not apply just to British Skydiving: Lloyds Bank Ltd had put in place similar arrangements for its own AGM this month, details of which the Secretary had shared with Alex Busby-Hicks earlier in the week.

The arrangements for democratic participation in a General Meeting run with only a quorum of six, was by proxy voting. A member unable to attend a meeting had the right to appoint whomsoever they chose to cast their vote by proxy. Members were normally asked to appoint the Chair to cast their proxy vote, although they were at liberty to appoint anyone, even a non-member. The only stipulation was that the person casting a proxy vote had to be physically present at the meeting. If the person could not or did not attend, any votes by proxy they had intended to cast could not be made. That was why the Chair of the meeting was the surest option because a meeting had to be chaired.

The Secretary added that arrangements for proxy voting were to be made by Mi-Voice, who would report the total proxy votes to be cast by the Chair or any other person physically present (a non-member would not count towards the quorum and could not therefore be admitted to the physical meeting of only the quorum of six whilst gatherings remained proscribed by government). The total number of proxy votes to be cast, and the members appointed by proxy to cast them at the General Meeting, would be a matter of record by our independent scrutineers Mi-Voice and the Secretary was sure that the Chair would be prepared to show the notification from Mi-Voice of the proxy votes he had been appointed to cast by members not present as yet a further assurance of the fidelity of the process.

The Secretary included in his oral report, legal advice he had been given on the treatment of abstentions. Martin Harris (London Parachute School) disagreed with this and the Secretary said he would therefore ask the legal adviser for further explanation.

Action: Secretary

The Secretary then outlined the steps that needed to be taken to organise a General Meeting with arrangements by Mi-Voice for proxy voting. Because not all members had a viable e-mail address (or, in some cases, any e-mail address at all) recorded on the British Skydiving membership database, and because some members had opted out of electronic notification of service documents of the company, postal voting packs would be needed for some members. Because of this, Mi-Voice had recommended that the voting window should remain open for 21 days to allow all members to have their say. Mi-Voice had provided a draft timetable which the Secretary had shared with Council. On this basis, the Chair had suggested that the date of a General Meeting appeared to emerge as at or about Friday 29 May. The Secretary said that a time and a location would also be required before a call notice could be issued, albeit that all but the six members that would need to be present would cast their votes by proxy.

Virtual General meetings could be enabled by the carrying of a special resolution to that effect at a General Meeting. However, there would be no point in doing this unless suitable arrangements were in place. British Skydiving was unable to provide these itself. However, our third-party supplier Mi-Voice, who had been overseeing the integrity of Council elections, specialised in this field and would be likely to be able to assist if invited.

The Chair and Alex Busby-Hicks thanked the Secretary for the explanation he had given. Alex Busby-Hicks noted that in his experience of legal advisers, the answer you got depended on how you asked the question.

60.3 From Alex Busby-Hicks - response on behalf of 18 Affiliated PTOs

Alex Busby-Hicks said that the PTOs for whom he spoke would rather not have a General Meeting called, but for there to be a membership vote. He said that this would be on condition that Council agreed to abide by the result of such a vote, and he confirmed that the PTOs he represented would do so.

After calling on Council Members present for any views against, of which there were none, the Chair confirmed that Council would agree to abide by the result of an indicative vote of the membership, should one be held if that was legally possible in lieu of the General Meeting that had been requisitioned.

The Secretary said he thought it may be possible that a requisition for a General Meeting could be withdrawn by those who had petitioned for it in the first place. However, he would need to check the position with the legal adviser who would next be available on Tuesday 28 April.

Action: Secretary

In the meantime, Alex Busby-Hicks said he would contact the petitioners, whose petition had been arranged by the Affiliated PTOs he represented, to seek their consent to withdraw the petition as a requisition for a General Meeting but for an indicative vote of the membership instead, the result of which Council and the PTOs had both agreed to abide.

Action: Alex Busby-Hicks

The Chair called for a proposal from the table. The Treasurer said she did not consider it appropriate to make a proposal at this stage, until the legal position had been clarified on whether a General meeting could be 'un-requisitioned' or, if it had already been called, the meeting cancelled.

COUNCIL AGREED that, pending clarification of the legal position and Alex Busby-Hicks' consultation with the petitioners who had requisitioned a General Meeting, it would continue for the time being preparatory arrangements to hold both a General Meeting or a member vote on Alex Busby-Hicks' member resolution*, recognising that only one of these would be required, such option to be determined by legal advice.

*** Member resolution from Alex Busby-Hicks**

That British Skydiving shall make available a non-repayable grant of £15,000 over a period of three months, comprising a maximum of three monthly payments of £5,000 each, to those of its Affiliated Parachute Training Organisations that apply on the basis of genuine and urgent need for such a grant to help them to survive the coronavirus crisis, and who meet any reasonable conditions of due diligence that the Council of British Skydiving may set for their evaluation of grant applications."

60.4 From the COO - considerations about re-starting the sport in due course once the national lockdown begins to ease

Tony Butler (COO) said that this week the government had begun to talk about what was likely to happen once the national lockdown began to ease.

What had become increasingly clear is that it was unlikely to be a case of flicking a switch to return to business as usual. In his paper on possible one-off permissions and exemptions for STC to consider, which had been sent out as a consultation document and, that will be going out next week for STC to vote before coming to Council in due course, the COO had assumed that there might be little or no skydiving for a period of six months. This was just a guess. We were now at the end only of month one. But, like everything else, it is all in the planning.

The COO said he had been in correspondence with his opposite numbers in some other countries to compare notes. Richard McCooey, his equivalent at the Australian Parachute Federation, who had come to our Expo back in January, as did Ed Scott of the USPA, had been talking about arrangements for the resumption of tandem skydiving in Australia.

The COO had copied in Dr John Carter, Medical Adviser, on this correspondence. Dr Carter had responded by drafting a paper which set out his personal view on issues to consider in resuming skydiving operations as and when restrictions begin to be eased. The COO had shared this paper informally with Richard McCooey as it was very much a stimulus paper to get us thinking. He had also shared it with our Officers (Chair, Vice Chair and Treasurer).

Dr Carter's opinion piece had come across as a wake-up call of how many factors we may need to consider about getting our sport back in the air again. The Chair uploaded Dr Carter's to Council SharePoint and invited Council to read it after the meeting.

The COO believed it may be appropriate for us to top and tail at least a summary of Dr Carter's paper and, with his permission, share it with PTOs in the next we(e)4.98576(.)-27.0074()TJ / (I)

When this was combined with the squeeze on people's incomes against a background of a global recession with unemployment levels possibly reminiscent of the great depression, whichever way we looked at it, it was not going to be business as usual any

The Treasurer reported that she had written to 29 PTOs, of which 24 had so far responded. Of the respondents, eight had indicated that they did not require any financial aid from British Skydiving. The Treasurer took this to mean that these PTOs had arrangements in place to mothball their operations to reduce their outgoings to a minimum and survive the economic crisis. She also took it to mean that, contrary to fears that some had expressed, skydiving as a sport would still be around after the crisis. Five PTOs had said they did not need any financial aid from British Skydiving for the time being but may need to apply in future. Eight PTOs had said that they needed our financial assistance now and a further three had responded in relation to the debtor balance however has not indicated whether any financial assistance would be needed.

[Treasurer's note: Since the meeting further responses have been received, the tally now stands at 26 responses, nine requiring money now, six may need money at a later stage and eight not requiring financial assistance.]

The Treasurer confirmed that PTOs shown as trade debtors in our books had been asked to agree the amount of debt we had on record, which had been corrected where it had been inaccurately recorded (one case to date), and advised that this would only be taken into account in considering any applications for loans and, more specifically, rolled into the amount of any interest-free loan that British Skydiving might provide. A debtor balance would not affect a grant application and grants were not expected to repay the debtor balance, rather its repayment would be expected only once jump operations had restarted.

The Treasurer said the approach that Council was taking was to consider each application on its own merit, and seeking to support those PTOs who with this support could be expected to survive the whole economic crisis. Council believed that this was the fairest approach on behalf of the whole membership.

The Treasurer recognised that there were voices criticising Council for this approach, just as there would be voices criticising Council if it had taken the opposite approach of providing financial aid indiscriminately to all PTOs, whether they needed it or not. Whatever Council did, or did not do, would leave Council open to criticism. It was impossible to please everyone, including every PTO. All Council could do was to act in what it considered to be as in the best interests of the membership, within its legal and fiduciary duties and powers under the Articles and the Companies Act.

The Treasurer concluded by saying that contacting each PTO had been a helpful exercise, and the Chair thanked Grant Richards (UK Parachuting, Sibson) for suggesting it.

This was the end of the first open session, and the meeting continued in camera, without PTOs and other observers.

62.2 In-camera session

62.2.1 Cash position

The Treasurer updated Council on the cash flow forecasting that the Finance Manager had prepared. A graph of cash available by month over the last few years had been uploaded to Council SharePoint today and this provided a stark illustration of how different the cash position was now from any normal year. The first tranche of disinvestment of financial reserves had buoyed cash flow for this month and next, but would need to be augmented by a second tranche of disinvestment by late May or early June to keep British Skydiving solvent, particularly if Council were to approve the disbursement of any further grants and loans to Affiliated PTOs. To date, one grant of £5K had been paid out from DZDF, whose cash position sits as nominal account within the British Skydiving bank account.

The Finance Manager would update the immediate cashflow forecast on a weekly basis as well as a longer term forecast on a quarterly basis. At this time of year, there would normally be steep upward growth in our cash balance, whereas this year it was plummeting. The COO suggested that the graph should be shared with PTOs.

COUNCIL AGREED that, to maintain commercial confidentiality, it would not identify the PTOs that it was supporting with financial aid by the provision of grants or loans.

62.2.2 General Meeting

Council's principal concern was the longevity of what was likely to be a severe economic downturn, and the need to assure, as far as was practicable, that sites with airspace clearance for skydiving operations were preserved. This was a different emphasis from the short-term survival of some PTOs that might not have been structured or managed to optimise the chances of their survival as a business in an economic crisis of this severity.

One point of view suggested that with no PTOs there could be no skydiving. Feedback from PTOs, on a confidential individual basis to the Treasurer, had suggested that the business positions of PTOs covered a wide range of viability and survivability, which were masked by generic emotional appeals to their own jumpers and to the wider membership. There would always be PTOs – survivors and probably new ones forming once economic conditions allowed – but without British Skydiving as the sport's regulatory body and as the clearing house for safety and training, there could be no skydiving.

Mary Barratt noted a trend in the current climate, and not just in skydiving, for voting to be driven by emotion rather than hard data. It was a world of protest, of voting against the system. In this case, members should reflect seriously, as it would be easy to vote against what could ultimately be against their own best interests.

COUNCIL AGREED that:

- (i) it would not add any further resolution or resolution to the draft agenda (circulated) for a General Meeting that the Secretary had drafted.
- (ii) it would not advise members on how to vote on Alex Busby-Hicks' member resolution (minute 60.3) but rather seek to apprise members of the wider, longer-term issues at the forefront of its considerations; and that the short-termism in the three monthly grants (which may or may not be in consecutive months) in Alex Busby-Hicks' member resolution might prejudice longer-term planning for the benefit of the membership, and the need to eke out resources over a sustained and severe period of economic recession.

62.2.3 Declarations of interest

Mark Bayada again (minute 20) declared an interest as an employee of an Affiliated PTO and left the meeting. Kate Lindsley declared an interest. She therefore left the meeting.

62.2.4 Applications by Affiliated PTOs for grants and loans

The Treasurer said she was grateful for the frank discussion in the in-camera session so far. It was possible if not likely that some PTOs would not be in a position to survive, in the mid/long term, irrespective of our financial aid; and that if we provided non-repayable grants support to those for whom the due diligence carried out by Council's ad hoc Finance Group suggested were unlikely to be robust enough to survive the crisis in the economy, this could be a prejudice to our providing financial aid to help to sustain more robust operators that were more likely to survive with our help. Council could stand accused of wasting member resources on PTOs which the due diligence process should have identified as not being viable in the long term.

Council had a fiduciary duty to avoid bankrupting British Skydiving in the process because, as Paul Applegate had already pointed out, British Skydiving was not a bank. That said, there may be difficult conversations in prospect with operators for whom the economic downturn was likely to shatter their dreams and break their hearts, and that perhaps financial assistance could only be offered if it was used to mothball the business to ensure its survival.

The Treasurer had prepared confidential papers on grant and loan applications received from Affiliated PTOs, and these had been shared on Council SharePoint with appropriate restricted access rights in place.

62.2.5 Applications by Affiliated PTOs for grants and loans

This is a confidential minute book minute, not for publication.

62.3 Second open session

The meeting resumed in open session with PTOs present as observers.

The Chair reported that Council had considered several applications from Affiliated PTOs for grants and loans. It had approved some grant and loan payments, and requested further information, or further discussion with the Treasurer, on others.

Alex Busby-Hicks asked the Treasurer whether the eight PTOs that had told her they were unlikely to be seeking any grants or loans from British Skydiving were military-related Drop Zones or those that provided tandem jumping only, thereby not offering club jumping facilities open to all to British Skydiving members. The Treasurer said she was not comfortable with providing an answer to that question. The fact was, if eight PTOs survived the economic downturn, even if only four offered sport jumping as implied by Alex Busby-Hicks, they and their jumpers would still need British Skydiving - albeit as a much smaller operation itself - to keep them in the air. The Council as Directors therefore needed to ensure that British Skydiving weathered the current crisis.

63/20 Dates of future meetings

The next virtual special meeting was agreed for one week's time, Saturday 2 May 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 15:31 (duration 2:31).