



**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE EBU LIMITED
AT BAKER TILLY MANAGEMENT LIMITED,
2 BLOOMSBURY STREET, LONDON WC1B 3ST
ON WEDNESDAY 19TH MARCH 2014**

Present: Jeremy Dhondy (Chairman) (JD)
Ian Payn (Vice Chairman) (IP)
Andrew Petrie (Treasurer) (AP)
Darren Evetts (DE)
Jerry Cope (JC)
Heather Dhondy (HD)
Ron Millet (RM)
Malcolm Oliver (MO)
Barry Capal (General Manager) (BC)

Peter Stockdale (Minuting the meeting) (PS)

1. Apologies for Absence

None

2. Minutes of the meeting of 15th January 2014

2.1 Accuracy

The minutes were approved as accurate.

2.2 Matters Arising

Tournament working groups (2.2)

IP reported that the Brighton Working Group had met, and would be meeting again next Monday. No other working groups had been formed.

Update on VAT Claim (2.2)

AP stated he was confident that no VAT should have been paid on education courses, and advised that an appeal should be made now, rather than waiting for the resolution of the main VAT case. The board agreed that, as the main case may not be resolved quickly, AP should take the necessary action to lodge the appeal promptly so as to not lose any possible rebate. **Action: AP**

Treasurer's Report (5.1)

Gordon Rainsford's (GR) report would be presented at the June Strategy meeting, so any thoughts or questions should be given to him in advance to allow him time to include a response in his report.

Award Structure (6)

The Selection Committee had been consulted and was in favour of RM's proposals.

Governance (8)

JD advised that he had prepared the proposal to put before the shareholders. It was to be proposed that if any Vice-President had significant reason to no longer be considered appropriate for the position then the matter would be referred to a sub-committee of the Disciplinary Committee, and that no Board Members would be involved so as to avoid any conflicts of interest.

The Board wished Hylda Townsend a happy 101st birthday.

All Party Parliamentary Group

JD reported that a match had been proposed between the British and Polish parliaments. RM was meeting with Baroness Henig the following day and it would be discussed further then. **Action: RM**

3. EBED

3.1 Staffing

JC reported that Simon Barb had been appointed as manager of EBED and he would start on 1st April.

3.2 Trustees

JC reported that the advert on the website had produced a good range of candidates for the position of Trustee. This had been narrowed down to a 'medium-list' which was then reduced to a 'short-list' through a process of informal telephone conversations. JC stated that charity fundraising experience had been prioritised in the selection process. The 'CV' of Bernard Eddleston had been circulated prior to the meeting and the board unanimously approved his appointment as a trustee appointed by the board. **Action: JC**

JC advised that the first meeting of the trustees would be Wednesday 9th April.

JC stated that he believed it would be necessary to develop a process by which the EBU could guide EBED, whilst still allowing EBED the necessary autonomy.

AP referred the board to the 'headlines' which had been circulated prior to the meeting. He advised that the annual donation of ~£58k reported in the headlines was comprised of a donation of £50k and £7.7k in overheads which were initially included in the budget and would not be reclaimed. With reference to the second point, AP advised that it was a fundamental role of a national governing body for it to aid in the development of the game, so it would be necessary for the EBU to continue having some involvement in that activity. It was acknowledged, however, that this would be a primary function of EBED. It was therefore agreed, as previously raised by JC, that an agreement would be needed as to how the work of the EBU and EBED would be linked without overlapping or being conflicting.

With specific reference to EBUTA it was agreed that it could not simply be moved into EBED as the name would be inappropriate. It would therefore need to be agreed whether there would be a change of name, or whether it would remain under the control of the EBU. It was agreed that, regardless of how EBUTA moves forward, as it would be funded by the EBU then the EBU should have a persuasive voice in how it operates - albeit a voice which does not overstep the boundaries set out by the Charities Commission. BC asked that the board consider the pros and cons of EBUTA being part of EBED as that would open it up to all bridge clubs and players, and not just affiliated clubs and EBU members.

AP advised that the auditor had requested that the amount in the BfA accrual account should be significantly reduced. AP recommended that with the transfer of responsibility to EBED, now was a good time to discontinue the £10 rebate on BfA1 by the EBU. The question of the position of BfA in

the new structure was raised, and it was noted that it could not be administered by EBED as it involves 'membership'.

It was agreed that

- the stock of books would be passed to EBED.
- The rebate scheme would be discontinued.
- Existing rebates could be reclaimed until 31/03/15
- The cost of book 1 would be reduced from £20 to £17.50 (£25 to non members)

It was acknowledged that at present there are a number of teaching schemes and systems as very few had been formally phased out and new systems had simply been superimposed. It would therefore be advantageous to formally streamline the system. The involvement of the counties in teaching would also be discussed, and DE would put to the counties suggestions on possible developments in order to gain feedback.

It was agreed that whilst the new manager settles in to his new position he would be aided in his work by BC and John Pain

JD reported that Education Trust for British Bridge had been wound up. A cheque had been given to the EBU for around £5k, to be passed to the new charity and ringfenced for 'Junior Matters'.

BC reported that a playing card company wished to make a contribution to schools/minibridge.

4. General Manager's Report

BC had circulated his report prior to the meeting.

He advised that the new online shop had been introduced to the shop staff the previous day and it had been very positively received. It used standard 'online retail software', and given the previous success of implementing new software he was not expecting any significant problems so a 'soft launch' or 'beta testing' would not be necessary. Questions were raised about possible fraud or misuse or BC advised that such matters had been addressed

Action: BC

AP advised that the shop had done very well and was significantly up on budget. A further projected increase in revenue had been included in the next budget.

MO commented that the introduction of the online shop would hopefully allow time for the shop staff to contact affiliated clubs who purchased their equipment elsewhere to try to encourage them to instead use the EBU shop.

JD expressed his thanks to GR for the automation of the draws for the knock-out competitions.

BC expressed his concern regarding the necessity for a replacement for Enterprise. Universal Membership was being administered using third-party software, and the support for the product was being withdrawn in the near future. He stated he was trying to ascertain exact details on the schedule, but wanted to warn the board that at some point a change would be necessary and that it could be time consuming and costly - the opportunity cost of dedicating staff to the project being of particular concern.

Action: BC

BC confirmed that the Aylesbury office would no longer need to use Windows XP and that a dozen new PCs, with seven years technical support for the Windows 7 operating system, had been purchased. He also advised that Jeff Smith would continue to offer support for his software into next year and that Jeff was working with GR so that the EBU could fully support its own software.

BC reported that the VAT Tribunal result had created a lot of media interest, and that it was perhaps the greatest single interest shown in bridge by the media for decades. He advised that further media coverage would be sought when the final decision on the next level appeal had been made, and the timing was correct.

JD reported that he had been in discussion with a television production company, about involvement in a program which followed the work of HMRC. He stated he would check with David Ewart that involvement would be acceptable. **Action JD**

It was confirmed that David Ewart believed there were points of law which were inaccurately applied in the first tribunal, and that there were grounds for an appeal. AP advised that if this appeal were unsuccessful there was the possibility that HMRC may charge up to £15k in costs. Contingency had been made for this in the budget, although it was believed the risk was less than fifty per cent. AP sought approval for the board for this money to 'risked' if the second appeal went ahead - the board unanimously approved.

BC referred to the Club Liaison Officer's report and added that there had been two or three more affiliations since it was written.

The Member's Diary will be produced by Letts, at 35p per copy plus delivery. This represents a saving on previous costs, and production in the UK will hopefully reduce the likelihood of delays and also please some members who believed we should do more to support UK businesses. Thanks were expressed to RM for his help in the process.

5. Financial Matters

AP had circulated a report prior to the meeting outlining the important details from the 2013/14 end of year Forecast, the 2014/15 Budget and the 2014/15 to 2017/18 4 Year Plan.

He commented that the 2013/14 profit was likely to be £22k better than budget, but this figure could be considered to be £67k given the unscheduled donation of £45k to EBED.

He gave an overview of the major changes, and emphasised that the success of the Overseas Congresses was masking a decline in the revenue from Competitions. He commented that one-day county events had also experienced a decline (7% for county events, 4-5% for EBU events) which showed that travel costs and distances were perhaps not as great a consideration in the declining numbers at national events as might be expected. He also highlighted that the worst result of the year had come from revenue from Simultaneous Pairs events, and stated a belief that it would be important to understand why these numbers were falling. JD commented that the Aylesbury office had completed their survey and whilst the responses were yet to be analysed, those who spoke with the clubs reported a general negativity towards the events, rather than clubs highlighting specific issues which could be addressed.

AP thanked everyone for helping to keep costs down in 2013/14.

In looking at 2014/15 AP asked the board to note that the figures included a number of contingencies, and stated a belief that it was sensible to be cautious when making the predictions. There was agreement with this position.

He highlighted the budget for Competitions, acknowledging the bi-annual conference for TDs, and the contingency for the possible need to hire venues, as the reason for the forecast.

JD informed the board of the recent problems with venues which necessitated the need for this contingency, explaining the difficulties brought about by Northampton Park Inn's cancellation of some existing bookings. The arrangement with Park Inn and Bridge Overseas was financially beneficial to both the EBU and its members, but it was agreed that this was only the case if the arrangement worked well. Any need to change venues had not only a financial cost but also damaged the reputation of the EBU and 'good feeling' that members had towards it, despite it being out of the EBU's control. The board were informed that GR was addressing concerns expressed by members, and trying to limit any damage to the relationship between the EBU and the members, and AP was discussing the matter with Bridge Overseas who had acted as an agent between the EBU and the venues. AP reported that the relationship between the EBU and Bridge Overseas was a Memorandum of Understanding, and not a Contract. Whilst some board members believed strong

action should be taken, BC advised that the options for possible venues were limited, and some venues had shown a great deal of tolerance in the past, so care needed to be taken to not irreparably damage relationships which may be needed in future. Likewise the current arrangement – with both the current venues and Bridge Overseas - was financially beneficial, and should be preserved wherever possible. It was noted, however, that whilst combining 'room hire' with 'accommodation' into a single package may be financial beneficial, it may be necessary in future to look solely at providing a good playing location for the competitions, and taking no part in the arrangement of accommodation - members would be left to address the issue independently of any EBU involvement. It was also noted that the majority of members are satisfied - or at least 'not unhappy' - with the service provided by the EBU in this respect, and that it is a small minority who are dissatisfied. AP would speak with Bridge Overseas to express the EBU's dissatisfaction, whilst explaining that the board would be patient but expect an improvement in future. GR would be asked to ensure that, at the start of any tournament which had experienced venue or accommodation problems beyond the EBU's control, an announcement would be made to that effect. **Action: AP**

AP referenced the 2014/15 budget which showed support to EBED as a cost of £78.6K offset by a £23.2K contribution by EBED towards salary costs. This would result in a net cost to the EBU of £55.4K – slightly less than originally planned. This will be a 'donation in kind' and will be highlighted as such in the Annual Accounts. He added that whilst there were no new costs incurred by EBED – these were a transfer of existing costs from the EBU – costs must be shown on the EBED accounts. JD asked whether a line would be included in the budget for 'donations'. AP advised that it would be included in the accounts, but not at this level of budget forecasting as it was too hard to predict donations.

JC commented that whilst the EBU Board would require an understanding of how the EBED budget was being spent, and could advise, it would not have direct involvement with EBED's budget. BC stated that the charity was not VAT registered as almost all of its activities would be exempt from VAT so it would not reach the threshold for compulsory registration. He added that the EBU would sell items through the shop on behalf of EBED and pass on the money to the charity.

AP advised that a change had been made to a four-year forecasting cycle as that would be in-line with the international tournament cycle. JD expressed his belief that, whilst these numbers suggested a small loss, experience suggested the outcome would be satisfactory. AP again emphasised that the figures used were cautious estimates.

6. Award Structure - Update

RM had provided a report in advance of the meeting which he explained looked at the detail of the application of the awards. He reported that Karen Durrell had been very responsive and helpful, and will be working with him to implement the scheme. RM confirmed that he would ensure that the introduction of any new awards would not be the detriment of the existing awards, and as any new awards were unlikely to be introduced before 2015 it was important that the 2014 awards were carried out properly.

JD commented that at the June or September meeting (most likely the latter) it would be necessary to discuss the possible recipients of Gold and Silver Awards. He also stated that Elena Jeronimidis should be involved to ensure the awards were promoted through English Bridge.

7. Club Matters

7.1 Affiliation

A discussion was held regarding club affiliation. There would be a fuller discussion at the next board meeting.

7.2 Supervised Play

AP referenced the communication received from the Aylesbury staff which had been circulated prior to the meeting. There was approval from the board on the action taken. DE requested that the words 'non-competitive' and 'supervised' be removed, and this was agreed. It was thought that the county should receive half of their relevant fee from such sessions. The simplification to existing codes would come into effect from October 1st **Action: AP**

8. Board Membership

JD advised that there were two vacancies on the Board. One had remained unfilled following the AGM and one had become available following Sally Bugden's resignation. JD had circulated prior to the meeting the applications from two candidates which he proposed be added to the board. Robert Lawy was unanimously accepted and, as he was willing to take on the aspects of education still overseen by the board, it was agreed he would fill the position vacated by Sally. He would serve the remainder of her term and stand for re-election at the AGM in November. Anthony Golding was unanimously accepted to fill the vacant position. His term would end at the AGM at which time he could be reappointed to the Board. As he had significant legal experience Anthony could also offer assistance to counties in the writing/updating of their constitutions.

9. EBL/WBF Matters

JD had circulated a report prior to the meeting which outline the main points from the EBL meeting in Berlin. He advised the Board that the EBL were very interested in the EBU hosting the Champions Cup in 2015, and reminded everyone that it was part of the Five Year Plan that a major international tournament should be hosted in that period.

It was agreed that more information should be sought from the EBL on the matter, and confirmation given that England would be their first choice were the EBU to apply. Assuming that to be the case sponsorship should then be sought – it was felt that sponsorship should cover the majority of the cost, with the EBU only being required to 'top up' the finances – and a subcommittee formed. IP and HD referred to previous reconnaissance work which they had undertaken to source appropriate venues and stated that they believe much of this information would still be valid and that they knew of suitable venues, should the process go further. HD agreed to be the board's lead person on this proposal

Action:JD

10. Any other business

DE reported that the regional meetings in the Midlands, North and East had all taken place. A date for the Western region had been set, and the Northern region had a second meeting in the near future. As yet nothing had been arranged for the Metropolitan region. He stated that each group would be nominating two members to attend a national meeting in July.

DE reported that the meetings had been positive, with a good response, though criticism of the EBU was common. The main points he wished to relay to the board were: that communication with, and between, the counties was seen as very important – the forum for counties was seen as useful but uptake had been slow; help was wanted in accessing schools, universities and non-retired adults; standard templates for important documents would be greatly appreciated.

JD thanked DE for his work and for fielding the criticism. He hoped that now the grievances had been aired the meetings would move forward positively and productively. DE reiterated that despite the negative comments which were made there was enthusiasm at all meetings, and he was still enthused by the process.

RM, who attended the Northern meeting, reminded the board that it was important not to overlook the counties, and the role that they play, and that they needed both help and attention.

10.1 Devon Simultaneous and Unaffiliated Clubs

JD reported that Devon had held a charity Sim Pairs which had included both affiliated and non-affiliated clubs. They had complained about the fee for non-affiliated clubs. The board agreed with JD that the policy should not change and that counties should be encouraged to use the EBU system for running their Sim Pairs events.

BC asked whether non-affiliated clubs would be included in the Sim Pairs which was raising funds for EBED. It was agreed that as EBED catered for all bridge players it would be appropriate to include them, and emphasise that the charity is distinct from the EBU and is for the whole bridge community. No Master Points would be awarded to unaffiliated clubs.

10.3 Selection Committee Disciplinary Process

JD reported that a disciplinary issue had arisen with a junior international player, and it was found that there were no official policies in place. JD drew up a policy with Andy Bowles, Chairman of the Selection Committee, for use on this occasion, but noted that the matter should be formally discussed at the June meeting with a view to deciding on incorporation of the policies in the by laws.

10.4 EBU Magazine Update

JD reported that if the magazine were resized, and was not too thick, a saving of around £33k per year could be made as the postal rate would be less. As one edition would include the diary, which would increase the postage cost, and a small downturn in advertising revenue may occur, the saving may be less, but still exceed £20k per year. He added that this saving had not been built into the budget as a final decision had yet to be made.

He stated that this would be discussed by the Editorial Board, and consideration given to the timing of a change to allow for the use of already purchased materials. He and BC confirmed that the current printers could be used as they are already producing other magazines of the same size.

Action: JD

Other

JD advised that he wished to end his term as BGB representative, and the board approved HD taking his position.

Action: JD & HD