

BRITISH CAVING ASSOCIATION

MINUTES OF THE FIRST ANNUAL GENERAL MEETING HELD at the Alvechurch Baptist Church Hall, Alvechurch, on 12 March 2005

The meeting started at 2.05 pm.

Present:

Mick Day (MD)	BCA Chairman and Individual (Ind) Member
Jonathon Roberts (JR)	BCA Treasurer elect and Ind Member
Elsie Little (EL)	Conservation & Access Officer, also Dan yr Ogof CAC & Ind Member
Idris Williams (IW)	Training Officer, also Shropshire Scouts Caving Team and Ind Member
Dave Judson (DJ)	Legal & Insurance Officer and Ind Member
Les Williams (LW)	Publications and Information Officer, also Wessex Cave Club & Ind Member
David Cooke (DC)	Cave Registry Officer, also CSCC and Ind Member
Clark Friend (CF)	Radon Working Party Convenor and Ind Member
Sue Mabbett (SM)	CCC and Ind Member
Glenn Jones (GJ)	CNCC, also Speleo Vecors and Ind Member
Jenny Potts (JP)	DCA and Ind Member
Chips Rafferty (CR)	ACI and Ind Member
Nick Williams (NW)	BCRA, also BCA Insurance Manager and Ind Member
David Jean (DJe)	WPCST
Chris Broome (CB)	Council Club Rep, also Masson Caving Group
Owen Clarke (OC)	Council Club Rep, also Cwmbran CC and Ind Member
Simon Froude, (SF)	Bradford Pothole Club
Emma Porter (EP)	Craven Pothole Club and Ind Member
Boyd Potts (BP)	Orpheus CC and Ind Member
Victor Holbrook (VH)	Rolls Royce Caving Club
Steve King (SK)	South Bristol SS and Ind Member
Pat Hall (PH)	South Wales CC and Ind Member
Trevor Faulkner (TF)	Ind Member
Paula Grgich-Warke (PGW)	Ind Member <i>also proposed BCA Secretary</i>
Ian Lloyd (IL)	Ind Member
Bob Mehew (BM)	Ind Member
Eric Hoole	Observer

1. Chairman's welcome: introductions and procedures.

MD welcomed members and others to the first AGM. He noted that the procedures for signing in were the same as for the NCA AGM, thus everyone should be aware of their status.

2. Apologies for absence.

MD noted that G Mullan, L Wilson and S Holding had sent their apologies. A Pryke and A Finch sent their apologies via GJ & DJ.

3. Applications for Membership:

3a Group Members

MD noted that he only held one letter seeking confirmation of membership status from CSCC. In response to a query as to whether Regional Caving Councils (RCCs) were required to apply for membership, BM indicated that he had drafted a membership application form for RCCs which did ask for confirmation as to whether insurance cover was required. This was to ensure that DCA were not given insurance cover by BCA when they already had cover via another route. BM had passed the draft form onto NW for consideration and placing on the web site. In response to a query about considering club membership applications, it was noted that the Secretary had been given the task at the Inaugural Special General meeting last year, of checking all constitutions. No question had been raised with the Secretary before he left as to whether this had done. JP noted that she was carrying out this task for clubs in DCA. SM commented that other RCCs needed to do a similar review. It was also noted that new clubs joining last year had been required to produce a constitution for

consideration.

BM proposed a motion that **“The consideration of Group membership should be deferred for a further year whilst constitutional checks could be completed.”** JP seconded the motion.

LW raised a question about the voting status of individual members. After some debate, MD made a ruling that all persons present who believed they were members of BCA either by being a “Direct Individual Member” (DIM) or a “Club Individual Member” (CIM) were eligible to vote in the class of Individual members for the duration of the meeting up to and including item 10. The meeting accepted the ruling.

MD sought the view of the meeting on the motion. There were no dissenting voices, so MD declared the motion had been unanimously accepted.

3b Direct Individual Members

MD noted that he had no applications. BM pointed out that the constitution did not require the applications to join the class of Individual Members to be considered by a General Meeting. Rather it was for a duly delegated person or persons to consider each application which did raise the question as to who now was that person. JP suggested that Council could take care of this. MD accepted there was no need to take this item. GJ asked if any subscription reminders had been issued in 2005. NW proposed a motion that **“The consideration of subscription renewal for the class of Individual Members be remitted to BCA Council to consider”**. CF seconded the motion.

MD sought the view of the meeting on the motion. There were no dissenting voices, so MD declared the motion had been unanimously accepted.

4. Minutes of the 2004 Inaugural SGM.

MD stated that the minutes had been circulated and copies were available. MD noted that the set of minutes in the Minutes book of BCA did have the names of both the Group and Individual members attached. MD asked if there were any corrections to the minutes. MD asked if the meeting was content for him to sign them as a true record. There were no dissenting voices, so MD declared the minutes had been unanimously accepted.

5. Matters arising from the Minutes of the 2004 ISGM.

MD asked if there were any matters arising out the minutes. None were raised.

6. Hon. Secretary's Report

MD noted the resignation of Eddy Hill in mid February. This had already been mentioned during the NCA AGM.

7. Report from Legal and Insurance Committee

NW presented a verbal report. He noted that the scheme successfully ran in 2004, and as can be seen from the accounts, was within about 10% of budget. No claims had arisen during 2004 and the underwriters had renewed cover for 2005. He considered that Clubs and individuals largely appear to have been understanding of the problems and difficulties inherent in trying to run the scheme on a very tight budget (i.e. largely with volunteer resources). NW went on to comment that he was working now, to try to streamline the administration although he thought it will be this time next year before it will be possible to measure our success in this. NW concluded his report noting that the take up for 2005 appears to be strong.

DJ enquired about building up a reserve to cover the sum self insured which enabled BCA to reduce the sum required by excess clause. BM stated that the 2004 budget included raising a sum of £7,500 to cover this self insured sum which had been achieved. The budget for 2005 included a further £8,000 to improve this reserve. Following a comment by MD, BM said that he considered the accounts of BCA should be tabled and discussed as a separate item as they did not just cover the insurance element.

CF enquired if there had been a reduction in the insurance premium for 2005. NW replied that there had been a 5% reduction. CF asked if further reductions could be passed onto members. NW indicated that whilst this was clearly desirable, membership had not yet sufficiently stabilised for a view to be taken on this.

GJ enquired as to the status of DIMs who had not yet been sent a subscription renewal request and sought in particular clarification on insurance cover. NW noted that the process for renewal of DIM membership had been complicated by the desire to ensure that as many as possible individual members of BCRA transferred across into DIMs. GJ then asked as to what was the position for those who had not been sent a subscription renewal. NW suggested that this was a matter for Council to decide. GJ said that he had received a number of enquiries about subscription renewals and sought advice on what should be said in response. NW said that CIMs should be clear as they had been dealt with, other queries should be passed on to him. GJ said he was also interested in the position for DIMs. NW went on to observe that the only pronouncement made at the last Council meeting had been for clubs with CIMs who had been given an extension of cover until 31 January 2005 provided they had made a renewal of membership. The position for DIMs had not been touched on and he considered it a matter for Council to deal with. MD commented that Council should consider a proposal to extend DIM membership until the end of March.

CR enquired if persons who instructed or led caving trips were being considered by BCA. He noted that BCA had provided cover for mine inspection and wondered why similar extension was not possible for persons who instructed or led caving trips. NW enquired if CR was referring to Professional Indemnity cover, if so, BCA's policy did not cover it. He noted that the mining cover had been for one specific person who was covered for the provision of advice to BCA on the state of mines. CR asked if this would provide professional indemnity cover. MD noted that BCA's scheme was only obtained because it did not provide professional indemnity cover so as to keep costs reasonable. If BCA had included this cover in its policy then the costs would have been prohibitive for everyone. IW repeated his appeal for professional cavers to come to him with a proposal which he could ask NW to take to BCA's brokers. NW noted that professional cavers needed to recognize that if they wanted to obtain professional liability insurance then they would have to pay something in the range of £50,000 to £70,000 as a group. However, he was not clear as to what insurance cover professional cavers required. BP noted that the BMC were now treating caving as a similar risk to Antarctic exploration.

Orpheus CC proposed that the report be accepted, seconded by IL. The meeting adopted the report without dissent.

MD announced he would accept a new item at this point to take the Treasurer's report and accounts.

7a BCA Treasurer's Report

BM noted that printed copies of his report and BCA's accounts were available (see Annex 1). BM noted that very little needed to be said over and above that already mentioned and asked if there were any questions. SM asked about the £7,200 sum expended on duplicated subscriptions. BM explained that in 2004, it had been decided to require all members of a club to join as CIMs even if they had already joined via some other route. Thus in a number of cases this had led to clubs paying for duplicate membership at the higher caver level rather than the lower non caver level. BM had made a cautious estimate of the number of repayments required to be made and had recorded it as an expenditure. Since the money had yet to be paid out, the sum also showed in the accounts as creditors' payable within one year.

BM expressed some concern about the possibility of BCA having to pay corporation tax. PH noted that in his professional opinion, BCA should not need to pay corporation tax as most of its income was not eligible for tax and the small amount left would come within the threshold for corporation tax. BM thanked PH for the advice and asked if he might follow up on the topic outside the meeting. PH agreed to do so.

Action 1 - BM to discuss with PH BCA's Corporation tax liability.

CF proposed that the report be accepted, seconded by LW. The meeting adopted the report and accounts without dissent.

8. Report from BCA Webmaster

LW indicated that his report had been covered in the NCA AGM.

MD noted that it would normally be appropriate to take the other Officers' reports at this time. However, they had been dealt with during NCA's AGM. Subject to the SGM agreeing to the demise of NCA, the work of these committees would transfer to being under BCA. MD enquired if anyone had any other questions for the Officers. There being none, MD said the meeting would move on to item 9.

9. Election of National Council Members

9a Chairman: (To serve 1-year term)

MD noted that the post had become vacant as per Sub Section 14.9 of the constitution and that no nominations had been received. DJ nominated MD and JP seconded. MD accepted the nomination. IW queried why the post was for 1 year only. BM noted that the Inaugural SGM of BCA had adopted a rolling sequence for the appointment of officers so as to avoid changing officers all at once. There being no further nominations, MD was co-opted unopposed.

9b Secretary: (To serve 2-year term)

MD noted that the post had been filled for 1 year by Eddy Hill and now was vacant for a two year period. PGW offered her services and outlined her prior experience, which was mostly based in USA. PH nominated PGW and LW seconded. PGW accepted the nomination. There being no further nominations, PGW was co-opted unopposed.

9c Treasurer: (To serve 3-year term)

MD noted that the post had become vacant as per Sub Section 14.9 of the constitution and that JR had been formally proposed for the post. There being no other nomination, JR was elected unopposed.

9d Equipment Officer (to serve for a 3-year term).

MD noted that the post had become vacant as a consequence of the three year cycle adopted at the ISGM. No nominations had been received and there were no nominations from the meeting. NW proposed that BCA Council should deal with the matter. The meeting agreed with this.

Following a short debate, MD noted the following three posts and their term of office yet to run:

Training Officer (to serve for a 1 year term)
Conservation and Access Officer (to serve for a 2 year term)
Legal and Insurance Officer (to serve for a 2 year term)

were listed for the record.

9e Two Group Representatives (to serve for a 2 year term).

MD noted that no nominations had been received. BM pointed out that the constitution permitted up to 4 Group Representatives whose term of office was 2 years. Two Group Representatives had been elected at the 2004 ISGM (CB for Masson CG and O Clarke for Cwmbran CC), hence 2 vacancies remained. The meeting agreed with the desirability that two Group Representatives were elected in alternative years. PH was nominated from the floor by South Wales CC, seconded by Orpheus CC. DC was nominated from the floor by Wessex CC and seconded by South Bristol SS. No other nominations were made and MD declared that PH and DC were duly elected unopposed.

9f Four Individual Representatives (to serve for a 2 year term).

MD noted that no nominations had been received. EP was nominated from the floor by LW and seconded by TF. No other nominations were made and MD declared that EP was duly elected unopposed. MD reminded members present that further individuals could be co-opted by Council if any one wanted to subsequently come forward.

10. Motions relating to the Constitution / matters of policy

10a Section 14

MD reminded the meeting that Section 14 of the Constitution of the British Caving Association would be deleted immediately following this meeting.

10b Clarification of the status of "Club Individual Members"

(1) JP started the debate by referring to the two page proposal which had been attached to the agenda and assured the AGM that the pink document contained the same text. She noted that confusion existed in many peoples' mind over the status of CIMs and the desire of some already insured cavers to also be members of BCA without the requirement to take an unneeded insurance element of the subscription. She proposed on behalf of DCA that:

1. That Club Individual Membership of BCA be defined as individual members of member clubs whose club has either:

a) Taken out PL insurance via BCA and has paid an administrative fee for each member as part of their insurance charge;

or

b) Whilst not taking out PL insurance via BCA, has registered its members as wishing to have a say in the running of BCA by having a vote and has paid an administrative fee for each member via the club.

In either case, the whole membership of the club must be covered as a block registration and the administrative fee should be sufficient to cover the necessary record keeping, the issue of CIM membership cards, the provision of a postal ballot and any other benefits defined as applicable to CIMs.

2. That consideration be given to appropriate section(s) being added to the BCA Constitution to cover Club Individual Member status. If such addition(s) be deemed necessary, steps be taken to amend the Constitution in time for the change(s) to take effect from 1st January 2006.

3. That, regardless of discussion and agreement on the proposals above, the existing arrangements already agreed for BCA member subscriptions and insurance for 2005 should stand until 31 December 2005.

(2) DC responded that he wanted to see an amendment to the proposal with the inclusion of several words so that Proposal 1 b read:

Whilst not taking out PL insurance via BCA, has registered *those of its members as wishing to have a say in the running of BCA by having a vote and has paid an administrative fee for each of those members via the club.*

NB the proposed words are recorded in italics in the above sentence.

together with the deletion of "**the whole membership of the club must be covered as a block registration and**" from the following sentence with Proposal 1 so that it read

In either case, the administrative fee should be sufficient to cover the necessary record keeping, the issue of CIM membership cards, the provision of a postal ballot and any other benefits defined as applicable to CIMs.

DC stated that he wanted to permit clubs the flexibility of permitting only some of their members to become CIMs.

(3) BM spoke against both the motion and the amendment. He claimed that fundamentally there was no need to modify the constitution as the constitution only referred to the class of members who were individuals. He admitted that in late 2003, the concept arose of creating two sub classes of individuals, namely the Direct Individual Member and the Club Individual Member. His principal concern related to BCA's communications with its individual members. As part of the agreement of clubs applying for CIM status for its members, the club agreed to communicate to its members on BCA's behalf. BM considered the motion was unclear as to how BCA would maintain this link.

(4) JP suggested that this point was a detail and could be dealt with during the consideration stage prior to proposing an amendment to the constitution. JP went on to comment that the motion was designed to permit clubs the option for taking out CIM status of BCA for its members, with or without insurance. She also noted the anomalous status created by the situation that only members of those clubs which took out BCA Insurance were eligible for CIM membership, which she felt was divisive.

(5) BM stated that he fell back on the fundamental point that insurance was a benefit of individual

membership. If BCA started creating new sub classes of individual membership which had the insurance benefit as an option, then it could well be perceived as selling insurance. This could cause BCA to lose its insurance cover and all the consequences which might follow.

(6) JP stated that many clubs who had insurance via some other route did not want BCA's insurance and hence under the current approach, their members could not become individual members of BCA.

NW suggested the whole topic was better remitted to Council to deal with. He also had a problem with the motion in that it fundamentally commits BCA to a SGM without stating what those constitutional changes were going to be. He therefore felt that the meeting could not vote on a motion which did not have the constitutional changes within it. JP accepted the point but assumed that if the meeting made its wishes known, Council could then sort out the required constitutional changes and organise a SGM so as to have the changes in place for 1 January 2006.

(7) MD suggested that the meeting was in sympathy with the concept of varying the nature of CIM status but that there was uncertainty as to how this could be achieved. He went on to observe that this needed to be examined in detail and suggested that perhaps this meeting was not the place to do that. The matter could either be delegated to Council or set up a small group to consider the way forward.

(8) CF suggested that the situation was a shambles. He noted that his club was in problems over its handling of membership of BCA due to its AGM being in early May after which its subscription would be set. He was concerned that the motion would perpetuate this out of kilter relationship between club and BCA. As a consequence as an individual who wanted insurance, it seemed to him that he would have become a direct individual member of BCA as well as belong to his club. He felt the need for individual membership to be wrong. Fundamentally, what he wanted was for his club to represent him. He believed in a pyramidal structure where his views were represented by his club, his club's views were then represented by its Regional Caving Council who then represented them at BCA.

(9) DC sought the view of the meeting on his amendment. NW countered by proposing that a further amendment should be made to delete the words from the second sentence of Proposal 2 namely "**in time for the change(s) to take effect from 1st January 2006**". JP declined to accept the amendment. She wanted to ensure that the required changes were completed before 1 January 2006. NW said that he had proposed the deletion because he considered it was wrong to give Council such an absolute commitment.

(10) TF sought clarification as to whether DIMs and CIMs could speak to this motion. MD replied that the will of the vast majority of the meeting was that DIMs and CIMs should be able to speak; one of the problems which this motion touched on was sorting out the detail to make it clear to all that they could. TF urged that Council did take steps to ensure clarity in the constitution.

(11) BP noted that many people were stopped from becoming Individual Members of BCA because they perceived that BCA required them to take out insurance.

(12) NW suggested that this could be overcome by having an alternative CIM status where the club paid an administrative fee to be paid on their behalf.

(13) BM replied that BP was correct in a sense that at the moment it was a benefit of all individual members that they had insurance. BM acknowledged that because people like BP who already had insurance did not want to create problems by having duplicate insurance cover, plus the costs of buying another insurance, this effectively barred them from taking out BCA individual membership. What the proposal seeks to do is to create another sub class of individual membership which did not have insurance as a membership benefit. BM went on to point out the danger of doing that is that it could be seen from outside that BCA was selling insurance. BP said that from the other side, it appeared that BCA was forcing people to take insurance. BM said if BCA followed the proposal, then it should be aware that some interfering person could come along and say "BCA was selling insurance"; thus causing BCA to lose its whole insurance cover. BP said he felt one could look at it from exactly the opposite direction. PH said that he agreed with BM that if BCA created two sub classes of individual membership which differed by providing insurance, BCA was laying itself open to the charge of selling insurance.

(14) CF asked why did a non caving member of a club require insurance? BM replied that one needed to go back to the model by which BCA created its membership and provided insurance cover. Whilst he did not wish to get into those details, he offered to send CF the paper which BCA Council accepted at its January meeting on

the BCA Insurance model. BM noted that this topic could take hours to explain. BM went on to suggest that the motion should be remitted to Council to consider, including NW's amendment so there is no requirement or any intent of a requirement for Council to come up with an amendment.

(15) NW reiterated his view there was nothing wrong with the motion being voted on as a proposal with his amendment. BP expressed a concern that this could give rise to a situation where nothing was done and the same problem remained, though he was not accusing Council of wanting to stall work on the motion. NW responded that it was up to members of Council to drive the process forward. If BP was so concerned then he should seek to become a member of Council to ensure that the debate took place.

(16) MD suggested that it would be better if the principles were extracted from the process which was included in the motion and which were giving rise to concerns.

(17) NW commented that opinion could be sought from elsewhere on the concern of whether creating a sub class of individual membership which did not have insurance as a membership benefit would be seen as selling insurance. If opinion came back that yes BM's concerns were valid, then that would be a show stopper. In response to a comment by MD, NW agreed that this would have to be undertaken after the meeting. He accepted that it would be a high priority for Council.

(18) NW suggested that it was time to vote on the motion and amendments. BM pointed out that DC's amendment was procedurally the first to be dealt with. However, he had no record of a seconder for the amendment. LW said he would second the amendment. BM read out Section 1 b and subsequent sentences within Section 1, being the amended part of the motion:

1 b Whilst not taking out PL insurance via BCA, has registered those of its members as wishing to have a say in the running of BCA by having a vote and has paid an administrative fee for each of those members via the club.

In either case, the administrative fee should be sufficient to cover the necessary record keeping, the issue of CIM membership cards, the provision of a postal ballot and any other benefits defined as applicable to CIMs.

(19) JP enquired if the intent of the amendment kept the important part of the original proposal that where a club took out individual membership of BCA for its members, then all members were insured via BCA or some other route. The meeting was unable to come to a view on JP's question. NW suggested that this problem could be better dealt with by separating out the components so it was clear as to what was being requested. He asked DC to withdraw the motion. DC declined. NW suggested that the meeting should move to a vote.

(20) MD observed that the underlying problem was that whilst the intent of the motion and the features of the problem were clear, the understanding of the wording was not. It was in his view, fatuous to debate on the detail of the wording in the motion when the intent was to remit the problem to Council. MD asked if DC would withdraw his amendment. DC agreed to withdraw the amendment. MD asked if NW would withdraw his amendment. NW declined. NW then formally proposed his amendment to DCA's motion, namely that Proposal 2 should read

2. That consideration be given to appropriate section(s) being added to the BCA Constitution to cover Club Individual Member status. If such addition(s) be deemed necessary, steps be taken to amend the Constitution.

(21) DC seconded NW amendment. MD called for the view of the meeting. The raising of hands revealed that whilst 13 were for the amendment, 3 were against and 6 abstained. MD declared that a formal Two House vote would now take place requiring people to display the relevant card as their vote. The vote from the House of Individual Members on a show of cards was 12 for, 1 against and 3 abstentions. The vote of the House of Group Members on a show of cards was 10 for, 3 against and 5 abstentions. MD declared the amendment carried.

(22) The amended motion was therefore:

1. That Club Individual Membership of BCA be defined as individual members of member clubs whose club has either:

a) Taken out PL insurance via BCA and has paid an administrative fee for each member as part of their insurance charge;

or

- b) Whilst not taking out PL insurance via BCA, has registered its members as wishing to have a say in the running of BCA by having a vote and has paid an administrative fee for each member via the club.

In either case, the whole membership of the club must be covered as a block registration and the administrative fee should be sufficient to cover the necessary record keeping, the issue of CIM membership cards, the provision of a postal ballot and any other benefits defined as applicable to CIMs.

2. That consideration be given to appropriate section(s) being added to the BCA Constitution to cover Club Individual Member status. If such addition(s) be deemed necessary, steps be taken to amend the Constitution.

3. That, regardless of discussion and agreement on the proposals above, the existing arrangements already agreed for BCA member subscriptions and insurance for 2005 should stand until 31 December 2005.

(23) MD declared that a formal Two House vote would now take place on the whole of the motion en block with the intent that if passed, this would remit the motion to Council to deal with the problem. The vote from the House of Individual Members on a show of cards was 14 for, 1 against and 2 abstentions. The vote of the House of Group Members on a show of cards was 16 for, 1 against and 1 abstention. MD declared the motion carried.

(24) NW enquired of GJ as to why he had voted in the way he did. GJ expressed concern that a possible result of this motion was to undermine the insurance which caused him concern. NW acknowledged that this was something which Council had to get to grips with.

11. Other Motions

No other motions were raised.

12. Appointment of Auditor

BM proposed that the task of appointing an auditor be remitted to Council. The meeting gave its agreement without dissent.

13. Date of the next Annual General Meeting:

Following a short discussion on time periods required for the issue of notices, the meeting agreed without dissent that the second AGM of BCA would be held on 25 March 2006.

14. Any other business.

14a The Hub

SK reported that CSCC wished to put forward the motion:

“Now that the BCA is constitutionally incorporated the activities of the group known as “The Hub” are no longer desirable and should cease. The CSCC proposes a vote of thanks to “The Hub” for their work.”

SK noted that the Hub’s work was now completed and it should not need to continue. GJ objected to the word “desirable” and proposed that it should be replaced by “necessary”. SK accepted the amendment. SM asked what the ramifications of the motion were for the Regional Caving Council Treasurers meeting. SK indicated that there should be none. DC seconded the amended motion, namely

“Now that the BCA is constitutionally incorporated the activities of the group known as “The Hub” are no longer necessary and should cease. The CSCC proposes a vote of thanks to “The Hub” for their work.”

NB the amendment is recorded in italics in the above sentence.

MD sought the view of the meeting on the motion. There were no voices against the motion but there was a person wishing to abstain, so MD declared the motion had been adopted. MD added his thanks to the Hub.

14b Radon Working Group

MD noted that the Radon Working Group required to be set up under BCA. The meeting agreed without dissent.

MD then brought the meeting to a close at 4.15 pm.

Annex 1 - BCA Treasurer's Report 2004

The setting up of BCA in late 2003 was fraught with uncertainties and it is with good fortune that none of the potential challenges occurred. (There were others, but that is for the Insurance Manager to report.) The budget for BCA was set by the Insurance Manager and included within it a sinking fund to permit BCA to acquire a reserve to cover the "self insured" excess. I accepted this budget. Because BCA started with no assets, it negotiated a loan from BCRA to cover the sum required to pay the insurance premium. (Another loan agreement has been made for 2005.) BCA also received various guarantees from BCRA, NCA and others. None were called on.

The budget included an item called the "sinking fund". As some will recall, BCA took the view that the insurer's excess clause of £5,000 (and £10,000 for explosives and divers) would make the terms unattractive to many cavers. BCA decided to self insure for up to £7,500 of this excess, thus reducing the excess sum to only £2,500. The sinking fund is a dedicated fund [to] cover the gap if a claim occurs. In the event, BCA has acquired this sum from its first year's business. The auditor has pointed out to me that this sum only covers one eventuality; BCA should consider making a further increase in this sum to cover the potential for more than one claim. This meeting may wish to also consider whether BCA should continue to build up a reserve to enable it to not require a loan from BCRA.

I am unable to report on membership statistics; the figures I have been given do not tie up with those for NCA. I apologise to my successor and the Insurance Manager in leaving it for them to sort out. The accounts reflect a split of income into that part which is considered to be subscriptions and that part which reflects BCA's insurance activities.

However, what is clear is that good fortune with the uptake of membership has meant that we have more than met our budget expectations. Because a decision was taken to not resolve the question of duplicate payments, I have made what some might call an excessive allowance of £7,200 for the reimbursement of this money. Even with this allowance, BCA made a reasonable surplus on its activities in 2004.

As part of the detail which I collected on running BCA during 2004, it is apparent to me that we have a decidedly uneven work load on our membership secretary. Roughly speaking, we require two staff during the period of January to March and one person for the rest of the year. In 2004, we had the good fortune that Nick Williams provided substantial additional resource from his company to help set up the process for what was a small charge. I would like to record my thanks to Nick for this service. I gather Nick has stepped in again this year to help BCA through this work peak. I recommend that BCA look at ways to reduce this peak loading so as to avoid becoming dependent on Nick's resources.

During the latter part of 2004, information came forward which challenged BCA's approach to the provision of insurance as a membership benefit. I won't go into the details, that is for the Insurance Manager to do. But because it had the potential to completely undermine BCA's position, I wrote a paper which was taken at the January Council meeting which reaffirmed BCA's approach to providing insurance as a membership benefit. What it also caused us to do, was to leave a substantial pessimism in the setting of BCA's budget for 2005. If we have not had that uncertainty, then I would have recommended that we could cut the BCA subscription by several pounds.

Bob Mehew
11 March 2005

BCA Financial Statements for the Year Ended 31 December 2004

BRITISH CAVING ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>2004</u>	
	£	£
INCOME		
Administration		2,802
BCA Insurance		67,080
Publications & Information		120
		<hr/>
Total Income		70,002
EXPENDITURE		
Administration	7,200	
BCA Insurance (including £7,500 sinking fund)	58,139	
		<hr/>
TOTAL EXPENDITURE		(65,339)
		<hr/>
<u>SURPLUS / (DEFICIT) FOR THE YEAR</u>		<u>4,663</u>

BRITISH CAVING ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2004

	<u>2004</u>	
	£	£
CURRENT ASSETS		
Stocks		-
Debtors and Prepayments		-
Balances at Bank and cash in hand		<u>19,363</u>
		19,363
LESS: CURRENT LIABILITIES		
Creditors payable within one year	<u>7,200</u>	
		(7,200)
<u>NETT ASSETS</u>		<u><u>12,163</u></u>
REPRESENTED BY RESERVES :		
Balance brought forward		-
General Reserve - surplus for year		4,663
Sinking Fund - insurance policy excess		7,500
<u>TOTAL RESERVES</u>		<u><u>12,163</u></u>

Approved on behalf of the Executive Committee on

M Day, Chairman

Date

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting Policies

a) Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

b) Equipment

Equipment is charged in the accounts in the year of purchase.

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

2 Treatment of Certain Funds

a) BCA promised to refund the difference between £18 and £6 for those persons who had joined BCA as CIMs by more than one club. This commitment will be met in 2005 but is treated as a debit in 2004.

b) BCA was required to cover part of the insurance policy excess itself, in order to make membership attractive. A 'sinking fund' of £7,500 has been created out of surplus reserves. BCA Council is yet to make a decision on how this fund should be held.

INDEPENDENT EXAMINER'S REPORT TO THE EXECUTIVE COMMITTEE OF THE BRITISH CAVING ASSOCIATION

Respective responsibilities
of executive committee
and examiner
Basis of independent
examiner's report

I report on the accounts of the association for the year ended 31 December 2004 which are set out on pages 2 & 3.

As members of the association's executive committee you are responsible for the preparation of the accounts; it is my responsibility to state whether particular matters have come to my attention.

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the association and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as executive committee members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

In connection with my examination, no matter has come to my attention:

Independent examiner's
statement

- (1) which gives me reasonable cause to believe that in any material respect the requirements to keep proper accounting records or to prepare accounts which accord with the accounting records have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Mr Graham Wright**
Relevant professional qualification or body: **Chartered Accountant**
Address: **c/o LCSS, 14 Castle Street. Liverpool L2 0NJ**
Dated: **10 March 2005**

BRITISH CAVING ASSOCIATION

**DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2004**

	2004 (Actual) £	2004 (Plan) £
Administration		
<i>Income</i>		
Subscriptions Individuals	2,510	0
Subscriptions Groups	105	0
Interest	187	0
Total	<u>2,802</u>	<u>0</u>
<i>Expenditure</i>		
Duplicated subscriptions	7,200	0
Total	<u>7,200</u>	<u>0</u>
Surplus / (Deficit)	<u>(4,398)</u>	<u>0</u>
BCA Insurance		
<i>Income</i>		
Income	67,080	64,190
Total	<u>67,080</u>	<u>64,190</u>
<i>Expenditure</i>		
Premium	44,566	45,000
Administration	3,021	2,340
Member Expenses	3,009	9,325
Refunds	43	0
Sinking Fund	7,500	7,525
Total	<u>58,139</u>	<u>64,190</u>
Surplus / (Deficit)	<u>8,941</u>	<u>0</u>
Publications & Information		
<i>Income</i>		
Adverts for handbook	120	0
Total	<u>120</u>	<u>0</u>
<i>Expenditure</i>		
Total	<u>0</u>	<u>0</u>
Surplus / (Deficit)	<u>120</u>	<u>0</u>
TOTAL INCOME	70,002	64,190
TOTAL EXPENDITURE	65,339	64,190
SURPLUS / (DEFICIT) FOR THE YEAR	<u>4,663</u>	<u>0</u>