

Apologies	Capt D Waddington Lt A Milton WO2 (V) E Morrison SSgt A Hickman Sgt B Morrison Cpl A Hearn Spr L Bird Spr (Retd) S Hurst Spr J Reeve Mrs D Gill Mr S Palmer Maj Gen (Retd) A N Carlier CB OBE Col (Retd) C S E Thackway Lt Col S M Finch Maj A J Cheales Maj K J Nixon Maj (Retd) H W Rees Spr Ferguson Spr Maclaren Mr A Powell Mr R Simpson		
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<p>Item 1 – Introduction</p> <p>1. The Cdre welcomed the audience to the AGM and thanked the Trustees, Hon RCs, Main Committee and Bosuns for all their hard work. This year the team have worked exceptionally hard to get all of the pre AGM reading material on sappersailing.org (protected area), which should help serve this meeting.</p> <p>Item 2 – Election of new Flag Officers and Committee Members</p> <p>2. The following Flag Officers and Committee Members were elected:</p> <p>a. VCdre (Col Hatcher). Proposed by Col Wilson, seconded by Brig Innes - Carried.</p> <p>b. RC(O) (Maj Hart). Proposed by Col Gill, seconded by Col Anderson - Carried.</p> <p>c. Hon Treas (Col Szabo). Proposed by Lt Col Johnson-Ferguson, seconded by Col Wilson - Carried.</p> <p>d. Hon Sec (Maj Donaghy). Proposed by Maj Stamp, seconded by WO1 (RSM) Curry - Carried.</p> <p>Item 3 – Election of new Life-time Honorary Member</p> <p>3. The following member has been awarded Life-time Honorary Membership:</p> <p>a. Gen Sir Hugh Beach GBE, KCB, MC. Proposed by Lt Col Clarke, seconded by Brig Innes - Carried.</p> <p>Item 4 – Re-election of Hon Rear Cdres</p> <p>4. The following members were re-elected for a second 5 year term as Hon RCs:</p>	Cdre	

<p>a. Hon RC - Col Hendicott. Proposed by Brig Innes, seconded by Col C Davies - Carried.</p> <p>b. Hon RC - Col Anderson. Proposed by Brig Innes, seconded by Cpl Hearn - Carried.</p>	
<p>Item 5 – Previous AGM Minutes</p>	
<p>5. The minutes from AGM 17 were discussed. It was noted that the following amendments are required:</p> <p>a. Para 50(g) – Carlier Cup. Col Wilson commented that there is no Carlier Cup; there is a Carlier Plate. <i>[After note: this action has now been completed]</i></p>	<p>Hon Sec</p>
<p>6. AGM 17 Draft mins were approved, providing that Para 50(g) is amended. Proposed by Brig Innes, seconded by Maj Donaghy – Carried.</p>	<p>Hon Sec</p>
<p>Item 6 – Matters arising from previous AGM minutes:</p>	
<p>7. Para 8 – Colours and Awards database. Complete.</p>	
<p>8. Para 42 – YB replacement. A replacement as Yearbook editor has not been confirmed. RC(O) and Hon RC(O) are seeking a replacement; in the meantime Col C Davies has offered to continue this function.</p>	<p>RC(O)</p>
<p>Item 7 – REYC Governance Review</p>	
<p>9. Introduction. Col Hendicott briefed on the REYC Governance Review. Pre AGM reading material concerning the Governance Review has been published on sappersailing.org, therefore only pertinent points were briefed by Col Hendicott.</p>	
<p>10. Background. The REYC currently has a service fund and is a Service Excepted Charity under MOD regulations.¹ The REYC is an Unincorporated Club, therefore the burden is on the Trustees whom are personally liable for the Club’s assets and any incurred debt. In addition, to stay within the terms of an Excepted Charity, the annual income must routinely be under £100,000, which the REYC will shortly reach. These factors led to the requirement for a governance review, and as a result offered the opportunity to rationalise the current management of the REYC funds, which are currently spread across commercial bank accounts and 22 Engr Regt. Maintaining the status quo is not an option.</p>	
<p>11. Options for moving forward. A range of options going forward were considered as part of the review: Charitable Incorporated Organisation (CIO) (Foundation or Association); Unincorporated Trust; Company Ltd by Guarantee (with Charity Status, or without). Options were discussed within the review team, and at the REYC Governance Briefing Day; a decision was made to propose the option of changing the governance to CIO (Association).</p>	
<p>12. CIO. A CIO is designed for non-profit organisations and managed by the Charity Commission. Importantly, under this model, the REYC is able to enter into contracts, own assets under the REYC (rather than individuals) and the Trustees and Members have limited or no liability. The CIO Foundation model only allows the Trustees to vote, whereas the Association model enables voting on a wider scale, akin to our current rules. Finally, the legal advice provided by Stone King LLP is that the CIO structure is sufficiently well understood and tested for us to have confidence that it is suitable for the REYC.</p>	

¹ An Excepted Charity is where the organisation has Charitable Status, but is not governed by the Charity Commission (i.e. the organisation does not register or submit annual returns to the Charity Commission).

13. **Implications for the REYC.** Col Hendicott briefed that broadly there is no discernible change for the majority of REYC members. Our constitution will change, as will our rules to meet CIO requirements. Critically the assets and liabilities will be held by the corporate entity and not by individuals. A new Board of Trustees will be formed, but the Main Committee and other operational management will not change. Management requirements for our yachts will still comply with MCA requirements, but within a corporate structure. Finally, there will be no limitations on annual revenue and the Club can move the accounts together, drawing some efficiencies in process.

14. **Key elements of our new constitution.**

a. **Membership.** All REYC members will transfer to the CIO and will have voting rights; those with full REYC membership will retain voting rights, all other members will not. This is no change to our current system. There are 3 x full members whom are either not serving or ex-serving Royal Engineers, however they will still transfer across as full REYC members. Our current rules permit full membership by officers of the Commonwealth Army Engineer Corps. In the CIO they will not be eligible for full membership, but will be for the other types of membership.

b. **Trustees' role.** The relationship with the Charity Commission must be through the Board of Trustees. The Trustees will run the AGM.

c. **REYC Identity.** The Club will retain its identity as a yacht club in terms of Flag Officers and Main Committee. The proposed structure is included in the official documentation, hosted on sappersailing.org, in the member's area.

15. **Comments from the floor.**

a. **Feedback from AGM non-attendees.** Independently to the Governance Review team, Col Gill collated comments from members unable to attend the AGM. All comments received were positive with no dissention.

b. **Trustees Board.** Some concerns were raised by Brig Lucken, namely with perceived balance between civilian and military personnel on the Trustees Board. Brig Lucken warned against a risk of group think, especially if the Trustees Board membership favours civilians. Concern was also voiced over the number of Trustees on the Board, as to whether the proposal was too few, and whether there was sufficient depth. Col Hendicott noted that the proposed structure allows for an independent member, which should avoid group think, challenge the other members of the Trustees Board and provide an unconstrained view on matters. In terms of numbers, the proposed Trustee Board structure is in line with similar sized organisations.

c. **Chairing the AGM.** The Charity Commission states that the chairman of the Board of Trustees chairs the AGM. Maj Ives raised concerns as to whether, from a presentational aspect, is it appropriate for the chair to be a civilian. Brig Innes briefed that, less the Cdre and VCdre, there is nothing to stop a serving soldier from being on the Board of Trustees, and the Board decides who the chairman is.

d. **Quorum for voting.** Maj Donaghy enquired as to whether the REYC could increase the quorum for matters such as changing club rules or the club constitution. Col Hendicott noted that, in theory, the option to do so does exist, but to ease the CIO through the Charity Commission, it would be preferable to allow the proposal to be agreed, and have the latitude to change elements, such as the quorum size, in the future if the club wishes to do so.

- e. **Army Sports Control Board.** A question was raised from Col Gill to ascertain whether the Army Sports Control Board (ASCB) had been involved in the review process. Col Hendicott briefed that the ASCB had been kept informed of progress and were happy with the way forward for the REYC. Linkages between the REYC and ASCB would remain in the current format.
- f. **Account auditing.** Col Gill enquired as to whether the accounts would be scrutinised by an external audit. Brig Innes noted that they would have to be audited not by MOD but by independent auditors appointed by Corps Treasurer and published on the Charity Commission website, and therefore would be in the public domain.
- g. **CIO Objects.** Maj Smith noted that our events often attract more retired and family members than serving soldiers. Concern was voiced over whether this was too narrow to fall under the auspices of public benefit. Col Hendicott briefed that our CIO application followed the majority of working from the CIO application template, and that the object is for the promotion of the efficiency of the Armed Forces of the Crown.
- h. **Amending the CIO agreement.** Lt Col Crick asked whether we have the ability to amend areas of the CIO agreement in the future if deemed necessary. Col Hendicott briefed that it was possible to do so, if required.
- i. **Formal reporting on progress.** Brig Carruth declared the importance of a formal progress report back to the Main Committee, and a constant review, as we change from our current status to a CIO, especially during transition. Brig Hendicott briefed that an implementation report would be ready to brief at the AGM 19.

Governance Review Team

16. The Governance Review Team was thanked for completing a comprehensive review and producing an outstanding detailed report on Proposed Changes to REYC Governance; the AGM approved the Report without amendment.

17. **Resolution for AGM voting.** The AGM voted on the resolution as presented by Col Hendicott and detailed at Annex A. **Proposed by Col Hendicott, seconded by Maj Smith – Carried (Yes – 41, No – 0)**

18. **Next steps.** Col Hendicott briefed on the next steps to take the REYC through to a CIO. There will be further dialogue with the Charity Commission, and from circa May – Oct 18, the REYC will run in parallel existence in its current guise and as a CIO. If the Charity Commission refuses the application, or requires major amendments, then it is possible that an EGM will be called. The review team elected for the new financial year to start on 1 Jan 19 to allow for sufficient time to audit the accounts and prepare for the AGM. At the AGM 19 the implementation review will be briefed and the members will re-elect the Trustees and Club Officials. In addition, the AGM will vote on the 'old' REYC accounts up to the point of transfer. From now onwards, Col Hendicott stands down as the Governance Review lead and Lt Col Douglas will continue with the review.

Governance Review Team

Item 8 – VCdre Report

19. **Reports.** All of the financial reports have been hosted on the restricted area of sappersailing.org. The VCdre briefed on the main headline points.

20. **Main Report.** The AF N1514 includes the full suite of Paxton reports and the account remains with 3 RSME Regt, run under full Service Fund accounting governance. The report has been processed through the Army reporting chain, and no comments have been received back. At the close of FY 16/17 the account was valued at £303,169; at the close of FY 17/18 the account value sits at £320,544. The

principal change is three fold: the Club has chosen not to depreciate the capital value of the 4 hulls this year; the Inshore sailboard inventory has been bought onto account valued at £15,653; the Main Account has operated with a small surplus of income over expenditure of £1,722.

21. **Chatham Account.** The Chatham Account at the close of FY 16/17 was valued at £18,218; at the close of FY 17/18 at £19,679. Therefore this account operated with a moderate surplus of income over expenditure of £1,461.

22. **Offshore Account.** The Offshore Account remains with 22 Engr Regt and is governed under the full Service Account regime; however, unlike the Main Account, it is a sub-set of 22 Engr Regt's Regimental Account. It is audited as part of 22 Engr Regt accounts and signed off by the RAO 22 Engr Regt. At the close of FY 16/17 the account was valued at £94.43; at the close of FY 17/18 the account value was £0. This is in line with having correctly reconciled the account at the end of the FY. The total income was £54,200 against expenditure of £50,542. This year the Offshore team have closed out the Trojan purchase and Ilex refit project. The final cost stood at £118,855 which was c£11,000 under the agreed operating budget given at the AGM 15.

23. **Balance Sheet (BS).** The VCdre briefed on the purpose of the balance sheet, which is to draw together the three separate accounts. The accounts show a small debtor list, as at 31 Jan 18, however these were settled in Feb 18. Incorporating the accounts together provided the Club with a current asset minus liability worth of £320,224.

24. **Statement of Financial Activity (SOFA).** The VCdre briefed that the incoming resources is broadly constant year on year. Last year, a Property Adjustment was made to bring Hebe and the Inshore equipment onto account. VCdre briefed the AGM that members should note REYC income sits just under the £100,000 limit for an Excepted Charity. In terms of resources expended, there was a slight reduction for this FY, in line with the cyclical nature of equipment refresh and the closing out of the Trojan purchase and Ilex refit projects.

25. **12 Year Plan.** The VCdre briefed that as agreed with the Trustees, the 5 and 15 Year plans have been merged to show a 12 Year plan which captures 2 x Hull replacement programmes, ensuring that we show sufficient projection going forward. The plan also includes the Nuffield Trust grants 2019, 2020 and 2021 which are agreed and contained in the ASA's Hull replacement funds. Finally, 2020 is our target year for a Hull sale and replacement.

26. **Budget and Delegations.** Limitations on budget and delegation have not been in place for the last couple of years. This has now been reviewed and a proposal agreed by the Main Committee and approved by the Trustees. Details can be found within the reports on sappersailing.org.

27. **Summary.** The VCdre thanked Col Wilson who has provided a huge amount of guidance to help maintain the continuity and oversight of the accounts during the transition between VCdres and Honorary Treasurers.

28. **Trustees Observations.** Col Wilson briefed on the Trustees Observations, which are hosted on sappersailing.org.

29. **Vote on the Financial Audits.** The Cdre chaired a vote to accept the accounts as presented. **Proposed by Lt Col Johnson-Ferguson, seconded by Maj Donaghy. Carried.**

Item 9 – Offshore Report

<p>30. Report. The RC(O) report has been published on sappersailing.org. The headline news is that many Competent Crew courses were hosted on Corps yachts, which created a surge in charters.</p> <p>31. Yacht update. RC(O) gave a brief overview of all 4 hulls, covering main events from 2017 and any key maintenance which has taken place.</p> <p>32. Yacht usage. RC(O) briefed the stats on yacht usage for 2017.</p> <p>33. Documentation Review. RC(O) thanked Col Anderson for all his hard work with regards to aligning all the official documentation for the 4 hulls.</p> <p>34. Bosuns. RC(O) thanked the Bosuns for their hard work, especially Cpl Hearn who has left his post of Bosun and returned to the Field Army.</p>	
<p>Item 10 – Offshore Fleet Review</p>	
<p>35. Assessment. RC(O) has conducted an assessment of how the yachts are used currently. In 2018, RC(O) will conduct a full review of all 4 hulls, in order to provide options of the fleet composition going forward. This will be presented at AGM 19.</p>	RC(O)
<p>Item 11 – Inshore Report</p>	
<p>36. Introduction. RC(I) briefed the members on recent endeavours to advertise Inshore sailing more widely across the Corps. He encouraged all members to sign up to the Sapper Sailing facebook site.</p>	All members
<p>37. Inshore Activity. RC(I) briefed on the activity conducted by sapper dinghy, windsurfing and kitesurfing disciplines.</p>	
<p>38. Membership. RC(I) briefed that many new entrants to the REYC start as Registered Members. Work is ongoing to convert these members to Full Membership.</p>	
<p>39. Training Progression. Col C Davies asked the Main Committee whether there was a mechanism for pulling through members from Inshore to Offshore. It was agreed that not all Inshore sailors wish to become Offshore sailors, but there is a need to identify an additional training development officer to look at both Inshore and Offshore training pipelines. The Hon Sec will look into options to recruit an REYC member to take on this role.</p>	Hon Sec
<p>Item 12 – Regions Report</p>	
<p>40. Report. The Regions Report is hosted on sappersailing.org.</p>	RC(R)
<p>41. Lymington. RC(R) briefed the AGM on the Lymington Meet for 19-20 May 18.</p>	
<p>42. Chatham. The Chatham Branch review will be completed this year.</p>	
<p>43. Chatham Moorings. The RC(R) briefed that there is little uptake for the Chatham Moorings as there are now a number of walk ashore marinas on the River Medway.</p>	
<p>Item 13 – Membership Report</p>	
<p>44. Numbers. The Membership Secretary reported there were currently 416 members, including 325 Full Members, which was similar to previous years. The trend towards a greater proportion of retired members continued, being 2.5 times</p>	

those who were serving. Twenty-eight members had resigned in the year, but happily had been replaced. Other key points include:

- a. It is important to actively recruit new members, especially those serving who become retired members.
- b. It is a strength of the Club that so many retired members continue to support it, providing membership subscriptions and hulls fund donations. This is entirely in accordance with the Objects of the Club in supporting the Armed Services and should not be mistaken as benefiting non-serving members.
- c. The Club must continue to engage with all members, to encourage retention.

45. **New structure.** In line with the Governance Review the future Membership structure would also be reviewed.

46. **Data Governance.** The Membership Secretary will not take on the role of Information Manager for the REYC. The Cdre enquired with the membership as to whether there were any volunteers for this position. *[Afternote: This will be advertised to all REYC membership through mailchimp].*

Item 14 – Dinner Night Details

47. The Honorary Secretary briefed on the 2018 Dinner arrangements.

Item 15 – Prize Winners

48. **Army Colours & Awards.**

- a. LCpl J Crisp.
- b. Spr S Williams.
- c. **Barry Trophy.** Spr S Williams.

49. **Corps Colours.**

- a. Lt Col S Finch.
- b. Sgt B Morrison.
- c. Spr L Bird.
- d. Spr M Davison.
- e. Spr C Henderson.
- f. Spr J Reeve.
- g. Spr S Williams.

50. **Trophies.**

- a. **Anderson Trophy.** Lt Col J Roose.
- b. **REYC Seamanship Trophy.** Spr J Reeve.

Cdre
Hon Sec

<ul style="list-style-type: none"> c. Brewer Trophy. Spr S Williams. d. Blagden Trophy. Not awarded. e. Jardine Trophy. Spr B Flowerdew. f. Peter Clarke Memorial Trophy. Lt Col A Glayden. g. Carlier Plate. Not awarded. h. Torch Trophy. Col M & Mrs D Gill. i. Avalanche Trophy. Col M Le Bridges. 	
<p>Item 16 – Election of Cdre (Des)</p> <p>51. The Commodore announced his retirement from the Army later in the year, and consequently he would be resigning as Commodore. Lt Col Johnson-Ferguson was proposed by Brig Lucken for election as Commodore of the REYC to replace Col Hones, at a time to be decided, and seconded by Lt Col Clarke. The proposal was carried unanimously.</p>	Cdre
<p>Item 17 – Re-elect Trustees</p> <p>52. The following Trustees were re-elected for a second 5 year term or until the first CIO AGM when its Constitution would apply, ie they will stand down:</p> <ul style="list-style-type: none"> a. Trustee - Brig Innes. Proposed by Maj Smith, seconded by Col Gill - Carried. b. Trustee - Col Wilson. Proposed by Lt Col Crick, seconded by Col Gill - Carried. 	
<p>Item 18 – AOB</p> <p>53. Year ahead. The Cdre briefed on the major work strands for the year ahead. These include the continuation of the Governance Review, the Chatham review, a 4 hull fleet review and bringing kitesurfing into the REYC fold.</p> <p>54. Townsend Trust. Col Anderson briefed on the Townsend Trust, advertising to the members that there is an article in the 2018 Yearbook. There is now a formal proposal to the Townsend Trust to support the dinghy sailing programme. The Trust will now consider the proposal in detail consulting those members of the REYC who knew Lt Col Stan Townsend for consideration.</p> <p>55. REYC Patron. Brig Galloway enquired as to whether we were sending loyal greetings to the Duke of Edinburgh, and whether there was an agreed succession plan. Brig Innes briefed that he was in contact with the Duke of Edinburgh's outer office. <i>[Afternote: Loyal Greetings have been sent to HRH Prince Philip, The Duke of Edinburgh].</i></p> <p>56. The Cdre thanked the Main Committee, Trustees, Hon RCs and the Bosuns for all their hard work this year. The Cdre closed the meeting at 1735 hours.</p>	Hon Sec

[Original Signed]

HMM STAMP
Maj
Hon Sec

Annex:

A. Resolution Considered at the REYC Annual General Meeting.

Enclosures:

1. All Club reports are hosted on the REYC website (sappersailing.org).

**RESOLUTION CONSIDERED AT THE REYC ANNUAL GENERAL MEETING
HELD ON 19 APRIL 2018**

That in accordance with Clause 8 of the constitution, the organisation known as The Royal Engineer Yacht Club (a Service Fund that is an excepted charity under the Charities (Exception from Registration and Accounts) Regulations 1965), (the existing charity) be DISSOLVED on 31 July 2018 (or such other date as the trustees may decide) and all assets and liabilities held for the purposes of the charity be transferred on that date to a new Charitable Incorporated Organisation formed under the Charities Act 2011 to be known as The Royal Engineer Yacht Club (the CIO):

[The above forms the essential part of the resolution: we agree to dissolve the current Club and transfer everything to a new Charitable Incorporated Organisation, which has legal status in its own name.]

- PROVIDED that the CIO shall be formed with the constitution as attached to this resolution, except that changes may be agreed in liaison with the Charity Commission provided that the existing Chair states that in his or her opinion they are not changes of a substantial nature; and

[This means that the resolution depends on the Charity Commission agreeing to set up the REYC as a CIO with the objects and constitution as presented to the AGM. It further authorises the existing Chair of the current organisation, the Commodore, to accept slight amendments and state that to the membership - probably by letter or email.]

- PROVIDED that the charity trustees of the CIO shall be the same persons as the trustees of the existing charity at the date of this meeting; and

[This means that there will be no change of Trustees until the first General Meeting of the new CIO, in the Spring of 2019.]

- PROVIDED that the dissolution and transfer shall not proceed unless the CIO has been registered as a charity by the Charity Commission not later than 30 June 2018 (or by such other date as the trustees may agree, but not less than 21 days prior to the dissolution).

[This means that if the CIO has not been approved and registered, none of the above can happen. The “or by such other date ...”, both here and above, allow the Trustees to postpone arrangements if there are delays. The 21 days’ notice is the minimum time that the Club can reasonably give to the officers of the Club to take appropriate winding up action; it might reasonably be more than that.]

And that the trustees of the existing charity be authorised to sign such agreements and execute such deeds as are necessary to give effect to this transfer:

- PROVIDED that, in the case of assets held for restricted purposes, they shall ensure that similar restrictions are imposed when the assets are transferred to the CIO.

[This means any funds given to REYC and held in trust for a specific purpose will, in future, be used for the same purpose, with rules put in place to ensure that this happens.]