

17 FEBRUARY 2015 BOARD MEETING: KEY DISCUSSIONS AND DECISIONS

Intranet: In future, Board information and papers for meetings would be uploaded to the Board section of the Intranet.

Finance Report: The accounts had been reforecast and showed a surplus and healthy reserves. VAT had been over budgeted as it is difficult to quantify for a full year. There were no financial issues to highlight.

Destination@BritishJudo: It was noted that Destination Judo membership had increased to 549.

Company Car Allowance/Van Policy: The policy had been updated to cover the mileage allowance threshold which will be extended to 10,000 miles per year for new staff; for staff currently employed, the threshold will remain at 7,500 miles per year. To be reviewed annually in February.

Promotion to 6th Dan: In the past, Board had discussed dispensation for promotion on the grounds of disability which had not been granted. The query was raised as to the date for promotion of the last female to 6th Dan.

Chairman's Report

- Discussions continue with Brazilian Ju Jitsu and Ju Jitsu.
- The Chairman attended the EJU competition in Mittersill and had discussions at Congress with Martin Poiger and the EJU Vice-President responsible for marketing to discuss aspects for the arrangements with UFC and contracts.
- The Scottish Open was a very well run and successful event.
- Discussions were ongoing regarding the British Open.
- The Chairman attended a BOA/BOC at which dealing with international federations was a topic for discussion.
- A 'Throw Yourself into Judo' meeting took place at Walsall. This is an initiative to promote grass roots Judo.
- Squad training went well.
- The Chairman had attended the launch for the European Championships ticket sales on 2/3 February.
- The National Inclusion and VI competition had taken place on 7 February at the Centre of Excellence. This was a fantastic day for all, including Northern Ireland. The main highlight was the number of children of all disabilities who were involved. The Chairman thanked Sara Hayes, the volunteers and parents for an amazing day. Sara Hayes commented that the support had been phenomenal and feedback was excellent. She thanked the Chairman and Peter Blewett for their coaching input which was invaluable.

CHIEF EXECUTIVE'S REPORT

- **Delivery Plan:** Board members' comments had been incorporated and the Delivery Plan was passed by Board for implementation. The Plan would be submitted to Sport England. The Delivery Plan is a working document setting out the Association's aspirational targets and will change throughout the year depending on the Association's and financial position and activities. The Plan forms the basis of staff work programmes and targets which will be covered in the appraisal exercise. It was noted that additional Sport England funding may be allocated if the Association has met targets across all aspects.
- **Online Training: Child Protection and First Aid:** The relevant responsibility bodies were comfortable with the first course being conducted face to face, the second course being on line and then alternating. Insurance would also be covered on this basis.
- **DBS:** It was hoped that the current process could be rationalised and information was awaited from United Medicare regarding the need to see all original DBS certificates.

Glasgow 2015 European Championships: The Chair received the EJU letter on 11 February 2015 cancelling the European Championships. He expressed his disappointment and was saddened that EJU had decided that the British Judo Association should not host the European Championships in Glasgow in July and was very disappointed by the manner and way the Association was notified. Notification of withdrawal had been followed by a meeting on 12 February 2015 with UFC regarding the contract.

A paper had been circulated giving the background and potential implications to EJU's withdrawal of the European Championships together with an email trail between EJU and the Association, the EJU contract and an analysis of social media.

The following issues were highlighted:

- The first time any issue was mentioned was through an informal comment made at the EJU Congress which the Chief Executive and Chairman followed up in a meeting which covered the Association's relationship with UFC, subject to EJU's approval. EJU were assured that the Association's involvement with UFC was to make use of their expertise and value in the promotion and marketing of events to their wider audience.
- Whilst the Association has signed the contract with UFC, a clause had been incorporated to enable easy withdrawal if the Association was not able to offer rights to the European Championships as these were subject to EJU approval.
- Shortly after this meeting a number of emails were received highlighting areas of concern identified by EJU. The Chief Executive responded with an explanation to each issue.
- On 11 February 2015, EJU wrote to the BJA Chairman withdrawing the event from the BJA in view of UFC's involvement.
- The Chief Executive immediately had a discussion with UFC to explain the predicament and UFC willingly stood back so that the Association was in a clear position to proceed without UFC involvement.
- The Chairman relayed this message to the EJU who replied stating that another EJU meeting would take place on Friday afternoon to discuss the situation.
- The Chairman also had discussions with other EJU meeting members clarifying the Association's position in that UFC had not involvement with the European Championships.
- The President 'phoned EJU contacts to try to put forward the Association's case.
- The Chief Executive very quickly responded to the EJU President by email to try to retrieve the situation as he and the Chairman felt the action was unjustified. They thought by standing UFC down, EJU would review their decision positively.
- The EJU meeting on the Friday afternoon upheld the decision to withdraw the European Championships and this was confirmed by telephone call to Kerrith Brown stating that the original letter stood.
- EJU released a statement Saturday afternoon stating that they had withdrawn the event in view of breaches of contract.
- The Association very quickly released a statement of their position.
- Conference calls took place with the Association's partners, UK Sport, Glasgow City Council, Glasgow Life, EventScotland. All had been very understanding.
- Legal advice was sought.
- The Association's insurers were informed and will work with the legal team.
- A communications plan will be provided to mitigate against reputational risk; a media release will be agreed and published to advise the membership.
- If Envic Galea had written to the Association in November 2014, as he was supposed to, outlining EJU's concerns. This matter would have been dealt with very differently and could have been resolved quickly and smoothly.
- Board members had been advised as quickly as possible.

Legal advice had been received and outlined a number of actions one of which was to obtain an opinion regarding Maltese law. The advice suggested that the Association was not in breach of the EJU contract as there was no material basis for the decision to withdraw and point out that the EJU contract which the Association signed is heavily weighted in EJU's favour. There were two areas highlighted (1): Sponsorship: where the Association required EJU approval; (2): Fee element which was to be paid in two parts, however, no invoice had been received. In addition, the Association has not been given the right to correct or remedy the situation or the opportunity for mediation, the EJU's decision had been final.

- With regard to the sponsorship element, the BJA/UFC/CSF contract stated that if the Association cannot provide sponsorship rights, then it would have the ability to provide other rights to BJA sponsorship. The argument is that the Association has not breached the EJU contract as all the way through, the Chief Executive and Chairman have been asking it is was possible to have sponsorship rights for court side advertising. At no point had the EJU said no, you cannot do this.
- In terms of the fee element, the Association should have paid €116,000 in May 2014 and again in January. This was anticipated and is evidenced in the cash flow forecast. Euros were purchased and the money was ready to be transferred. An invoice was received on 4 February 2015, dated 12 January 2015 requesting payment by 9 February 2015. In view of the approval process to be followed for such amounts to be paid, it was not possible for the Association to pay the invoice within the stated time period (bearing in mind that this included a weekend).

Board accepted that these were complex legal arguments.

The Chairman outlined his involvement in view of his association with UFC/CSF. He stressed that at no time did either EJU or IJF formally communicate verbally or in writing concern about involvement with UFC, CSF or MMA and there was never any ruling from the European or World governing bodies in this regard. The BJA's partnership with UFC was announced in early November, the EJU Congress took place at the end of November at which a comment was made regarding the association and cross contamination between organisations. That comment triggered a meeting to get some clarity around sponsorship. Also at Congress, the Chairman was approached in a conversation in the corridor regarding the UFC contract.

In January 2015 the Chairman and Chief Executive met with EJU to discuss how UFC could be promoted within the arena. At that point, it was made clear by EJU they would not be comfortable with this. At that point, a further meeting was suggested to clarify what was or was not possible. EJU suggested that UFC Fit Fight and Fight Pass could be promoted outside of the arena in the village. At that point, it was also explained to the EJU that because of a UFC event which followed the European Championships in Glasgow, there would be UFC promotions within the City which were not related to the Championships but would be related to UFC and this was not in any way related to the BJA. The Chairman felt this meeting had gone well and at no point was he led to believe there was a problem. Indeed, on 15 January 2015 there was communication with EJU as the Association was looking to finalise TV coverage and the need to sort out an issue with cables; the ticket sales launch took place on 2/3 February 2015. Again, at no point was there any suggestion of a problem.

The Chairman confirmed that the email received on 11 February 2015 at 8.00 pm from EJU withdrawing the European Championships from the BJA was the first indication of any problem. There was no opportunity to negotiate and resolve the issue. He 'phoned to point out that he and the Chief Executive had been asking for EJU's permission and guidance on promotions and marketing with UFC and asked for the opportunity to review the situation and resolve the issue. During this conversation, EJU referred to a recommendation by the IJF. The Chairman was told that a meeting had been convened for Friday at which a final decision would be made. At 3.00 pm on the Friday, EJU 'phoned to say that the decision of the meeting was to withdraw the Championships from the BJA. He added that the BJA would be given the opportunity to host the 2017 Championships "if we behave" (this competition is of no consequence as it is one year after the Olympic Games and does not offer qualifying ranking points); this offer was felt to be somewhat disingenuous.

Both the Chairman and Chief Executive felt that the EJU's decision was unjustified with termination being final with no opportunity for the Association to address EJU's concerns regarding UFC. Although the Association had acted very promptly to resolve the issue, EJU had no interest in pursuing negotiations. Throughout the period, they sought EJU's clarification on what was or was not possible and had been given no guidance or approval or disapproval, knowing that the facility to renegotiate arrangements with UFC was an option as stated in the BJA/UFC contract. Both felt that the relationship with the EJU was such that matters relating to the Championships were discussed in meetings and in conversations; unfortunately, they were not followed up by formal minutes or notes or emails as that was the nature of the relationship, therefore there is no factual evidence. The input of the IJF regarding the EJU's decision is not clear.

The Chairman highlighted what he considered to be dual standards on EJU's part when considering the association with UFC; a contact, who has involvement in MMA, was an invited VIP guest at the World Championships, IJF has an affiliation agreement with FIAS and the Sambo Federation and has connections with Sports Accord and WMMA. The USA Federation has an agreement with UFC which is apparently acceptable to the IJF. Indeed, an EJU representative personally has had past dealings with UFC which the Chairman could evidence with an email trail. These involvements would suggest IJF and EJU approval of UFC and other martial arts and combat sports in other arenas. The IJF President's son has put sponsorship into Kempo.

Board agreed that they needed to consider the immediate action required in view of the withdrawal of the Championships and how to move forward with the relationships with the EJU and IJF respectively but needed to receive the legal advice before deciding how to proceed. Board accepted that the decision to withdraw had been made and no matter what the BJA did to try to resolve the situation, the decision would not be reversed. It was noted that here was a financial risk which insurance should cover. Board needed to be aware that EJU may make a legal claim against the Association.

A short-life working group would be convened which would meet imminently and every 24 hours thereafter as necessary. Firstly, they would agree Terms of Reference and prepare an action plan with timescales and targets to include detailed liaison with partners.

A review would be established and should be undertaken by an independent outside agency which would scrutinise actions taken to date giving timelines, negotiations and outcomes.

Board agreed there were certainly lessons to be learned from this experience and further agreed that a message statement was required.

Board agreed that clarification regarding sponsorship arrangements for the British Open was required as soon as possible. Clarification was also required from EJU/IJF that any sponsorship arrangement with UFC for any competition was in order and had their approval. If not, the opportunity was available for the Association to renegotiate the contract with UFC for sponsorship of other activities.

With regard to the Chairman's personal involvement with UFC and CSF, he stated that first and foremost is his commitment to British Judo. The involvement of UFC and CSF he thought would be of distinct advantage to the Association in the form of financial sponsorship and a working relationship that would be of benefit to both organisations. He stressed his wish for the British Open in July to be a key event in the Association's calendar and suggested this would be an opportunity to build bridges with the IJF and EJU. He offered, unreservedly, to give some distance between the BJA and UFC. He also referred to his relationship with IMMAF as a Board Member which was not related to UFC/CSF.

Board felt that there may be conflicts of interest in the Chairman's involvement with other organisations and agreed that they would like to discuss the Chairman's association with UFC/CSF. The Chairman left the meeting in order that the discussion could continue in his absence. Ronnie Saez assumed the role of Chair for the discussion. Executive staff were asked to stay. The Chief Executive undertook to circulate the aims and interests of both IMMAF and UKMAF to Board members.

The matter was debated in some detail with one Board member stating that EJU wanted the BJA to cut ties with UFC. Board agreed they needed to decide whether it was in the interests of British Judo and its

membership to continue the relationship with UFC. Comment was made that the Chairman had not acted in bad faith, however, Board recognised EJU's disapproval of the relationship between the BJA and UFC.

The Chief Executive commented that UFC is fully aware and very supportive of position of the Association. He suggested that the BJA/UFC contract be renegotiated and recognised their genuine support of British Judo.

Board members undertook submit their personal views on the Chairman's involvement with UFC and the affect this may have on the British Judo Association. The Chairman would have no further involvement in any sponsorship negotiations involving UFC, CSF or MMA so as to avoid any potential conflict.

The contract with UFC would be renegotiated and the Chief Executive undertook to present the draft contract to Board as soon as possible. The contract would also be flagged to EJU for their consideration.

UFC would have no part in sponsorship of the British Open.

A paper would be prepared outlining ways to explore and redesign the relationship the Association has with stakeholders, funders and NGBs which would be referred to the International Representation Commission for action.