

16 Addendum

In response to questions and additional material, we issue the following clarifications at 22:00 on 20oct05:

We are aware that some of the figures still contain minor errors but do not have sufficient time to revise them, especially as they do not affect the main principles.

1.2 We did ignore Annex E of DLB's submission of 19apr05 as instructed and references thereto.

1.4 We know several members were misled, but not how many. A few have said they were not misled.

1.5 We have found only one contract signed by another ACU&S Officer and believe that he relied on assurances from BSK

1.6 It is not within our ToR to say whether there has been an abuse of power.

1.9 The detail appears later in the report.

2.5 This was mentioned in our Preliminary Report and a published list might jeopardise any future disciplinary proceedings.

2.9 We know that we are missing

- a) lease agreements from CSi and Bank of Scotland,
- b) financial agreements with Lombard / Grace
- c) letter from BSK to Charterhouse of May 2005
- d) some from Premier Leasing (including email(s) from Rona Shaw)
- e) contracts with Post Office

and possibly correspondence:

- f) from Ace,
- g) to and from Frontiers Group
- h) and probably other JVPs.

Additional abbreviations in section 2.10

2.10.11 ISP – ACU&S's auditors

2.10.12 PCM – ACU&S's insurance brokers.

2.10.13 Elonex – manufactures of laptop computers.

2.10.14 ECB – England and Wales Cricket Board.

2.10.15 unless specifically stated otherwise, the terms such as correspondence or documents include electronic communications.

The lease documents actually inspected include:

4.1.1 (a) 28sep04 GE

4.1.1 (b) 29oct04 Weatherbys

4.1.1 (c) 25oct04 Premier – of which we have several copies

4.1.1 (d) letter of assignment of this one lease from Premier to Ing.

4.1.1 (e) a letter of 09may05 indicating that Premier did act as intermediaries between Elonex & the other finance companies.

4.9 Evidence continues to trickle in, including some relevant emails dated 26oct04 which were received too late for integration in this addendum.

5.3.2 Some commission may be due from Lombard Leasing.

5.3.3 We have had no supporting documents or evidence. However, it does seem to fit the pattern. This information came too late to affect the rest of the report where Ace and laptops were slightly intertwined, esp 5.4.7 please read those paragraphs bearing this in mind.

5.4.7 no commitment was made at the Ace meeting, and the Committee is not aware of any formal response from Ace

5.4.11 Evidence for the first invoice to NRCC in Autumn 04 exists, including the Audit Certificate in Jan05. There is no evidence of the Ace version of the invoice prior to 23feb05.

5.5.1 would be better as “On 28th May 2005, CNR announced that BSK had found one rescue package for £28,000 which included advertising spread over 3 years. Accounting practice should be to accrue part of this amount over the full term.”

5.5.2 We have no knowledge of the activities of Charterhouse Enterprises prior to 01mar05. It is not a limited company and not required to register unless providing certain goods or services.

5.6.3 It is a weakness in the sales invoicing system that the narrative is too general where it should be specific about what services ACU&S supplied to the customer.

5.8.1 (a) Anonymous donation apparently arranged by BSK probably to cover Weatherbys and GE plus VAT. On 20oct05, we were shown an email dated 26oct04 which appears to balance the NRCC cheque to £2,875.55 Weatherbys but does not explain the residue.

5.8.1 (b) Anonymous donation apparently arranged by BSK probably to cover GE, Weatherbys and possibly BofS, plus some insurance and arrangement fees plus VAT.

5.8.1 (c) This loan has recently been repaid (actually £3168.69)

5.8.1 (d) The implication in CNR’s statement of 28may05 is that this money has already been fully committed to cover some of the outstanding lease instalments.

5.7 Companies House currently says “Proposal to strike off.”

7.1 CNR points out that there are peculiar rules relating to organisations (such as ACU&S) providing training and being allowed full or partial exemption from VAT.

7.2 SAW will discuss this further with CNR at a suitable opportunity.

8.2.3 This was based on verbal evidence from BSK, no documentary evidence submitted. However, we have no reason to doubt this statement.

9.1 amend last sentence to read: "CNR’s analysis suggests normal training in 2003/4 was £11,149 with £32,153 special training discussed below in paras 9.2 and 9.4."

9.2.4 The situation over the disputed invoice has been clarified and confirmed. £5,500 was paid promptly in March 2004 but £1,807.25 was withheld against a serious complaint and was shown amongst the total creditors at y/e 31oct04.

10.6.1 CNR advises that there are some minor discrepancies in the table but has not yet supplied the corrections. The basic principles illustrated will remain the same. We intended to prove (or disprove) BSK’s assertions about insurance payments but the situation has been confused by the imposition of interest and penalty payments for defaulting on various instalments.

10.10 BSK has stated that he will accept personal liability in the event of failing to secure sponsorship.

10.12 The auditors would have been unable to issue such advice if they were not aware that leases had been contracted.

11.2 CNR advises that the Ted Bates amount will again be ring fenced in the 2004/5 year-end account. There is currently a short term Treasury Deposit of £25,000 (in excess of the balance of the Bates Bequest as a result of the Barclays minimum investment amounts for short periods) that is due to mature on 29oct05. This will be replaced by a Treasury Deposit of the correct amount of £23,900 - to be shown in this year’s final accounts.

11.3 Figures from CNR would appear to support DLB’s estimate at that time of £78,000 deficit. CNR currently predicts £121,000 but this includes the contra for £100,000 and DLB’s figure did not take into account the sponsorship currently raised by BSK. Presumably the remaining £10,000 is due to the prudent spending restrictions introduced.

11.5 Brain Havill is Financial Director of ECB. We understand that CNR has responded to his email but we are not aware of ECB present view.

14.1 CNR suggests, and we support, that more detailed job descriptions should be drawn up for all major posts.