

GIBRALTAR SOCIETY OF CHARTERED AND CERTIFIED ACCOUNTANCY BODIES

The minutes of the Annual General Meeting of the Gibraltar Society of Chartered and Certified Accountancy Bodies held at the O'Callaghan Elliott Hotel on Wednesday 2nd June 2010 at 6.00 pm.

Present

Executive Committee

S Reyes	President
F White	Deputy President
J Tricker	Secretary / Treasurer
C Vaughan	
D McHard	
I Collinson	

Members

D Wahnon	D Cruz	P Navarra	U Giaquinto
A Vatvani	R Bhambhwani	M Samtani	J Park-Isola
Lisa Maynard	R Reilly	V Garro	M Harvey
A Craig	J Sapsford	U Bhambhwani	I Dharamsi
M Benady	M Lord	W Serfaty	P Bowling
G Daswani	J Canilla	W Riguindin	J Chua
N Adamberry	F Garing	B Pillans	L Khatwani
E Lavarello	R Vasquez	A Vasquez	M Xiberras
C Bottaro	JJ Pisharello	J Olivera	N Rumford
M Hayday	A Hogg	K Lawrence	H Drummond
C Celecia	K Neale	M Nicholls	S Brown

QUORUM

A quorum was confirmed and Stephen opened the meeting.

MINUTES OF PRIOR AGM

The minutes of the Meeting held on 26 May 2009 were approved (proposer D McHard, seconder L Khatwani).

PRESIDENT'S REPORT

The President reported on the various activities which the Society had been involved in during the year.

Auditors' Directive

Stephen noted difficulties in bringing the Auditors' Directive into Gibraltar law – the society's recommendations were initially

ignored, and the directive brought in almost verbatim with choices available not forming part of the primary legislation. Subsequently this was remedied by regulations and the society is happy with the finished product, despite the time it took for this to be implemented.

The FSC has been appointed the competent authority to regulate auditors. It is likely that they will outsource onsite reviews to UK institutes. Preliminary onsite visits (in a reduced form) are likely to start this year with full scale reviews probably taking place as from next year.

CCAB Groups in Europe

CCAB Groups in Europe is geared for UK trained accountants working outside of the UK within Europe. Stephen reported that he attended the CCAB annual meeting in London during the year, noting that we are one of the biggest and most active CCAB groups in Europe. Stephen stressed the importance of continuing to participate in these events not only because they provide us with a grant but also as they are available to us as a resource should assistance be required from the Institute.

Finance Centre Conference

The GFCC held a very successful conference last year. Although the conference was very much an introductory conference, the support and feedback received proves that it is an event worth having and hence Stephen has volunteered to stand on the organising committee for next year's conference.

Audit Exemption

The society has been trying to convince the Government to replace the audit requirement for very small companies in Gibraltar with a limited review. There is at present no Government support for this and hence this issue is currently on the back burner.

Tax

Regrettably the situation has not changed since last year although we are again assured that legislation on the practicalities of the introduction of the new low tax rate is imminent. Stephen noted that although as a society we have not been consulted on any aspect of the new legislation, three society members as individuals have been included in the working group advising Government.

Gibraltar plc

Several points were noted about which the society can be optimistic:

- Gibraltar achieving the OECD white list and being removed from the list of tax havens
- On the audit side, recent events both worldwide and locally will impact stakeholder confidence and will no doubt impact regulation. Quality will be paramount and to meet the high standards that will be expected we will continue to need to invest in good people and their training and development, and we are in a good position as a society to do this.
- On the tax side, the new low tax rate is acceptable to the world, and with the range of TIEAs signed (making us now effectively tax transparent and therefore acceptable) within Europe, we can expect many opportunities to arise.

Stephen noted that he wanted to restructure the society with the above changes in mind. Hence the new faculties proposed (for vote later in the meeting) are designed to allow members to specialise, get specialist training and provide a forum to discuss specialist issues and provide thought leadership on behalf of the society. For example:

- The finance faculty will be relevant to the nearly 50% of members that come from industry.
- The tax faculty can take the lead on tax issues in Gibraltar – especially with the

imminent changes. There are plans to issue tax practice guidelines and even a tax qualification on Gibraltar tax.

Stephen noted that the idea of faculties is borrowed from the ICAEW where it has been very successful.

The development of each faculty will be in the hands of its elected committee of 6 individuals, with a link to the society's executive ensured by having the chairman of the faculty sit on the society's executive.

Conclusion

The president concluded his report by thanking all those who had been involved during the year.

AUDITED ACCOUNTS

The audited financial statements for the year ended 31 January 2010 were reviewed and approved. (Proposer K Lawrence, seconder J Canilla)

SUB-COMMITTEES

TRAINING COMMITTEE

Report by D Wahnon

DW explained that the committee met on a quarterly basis during the period and had aimed to provide more varied training during that period. Training was provided as follows:

- 1) In May 2009, a soft skills workshop (though this had not been well attended)
- 2) On 21 and 22 May 2009, a fraud prevention course with Steve Giles
- 3) In October 2009, a course with focus on updates in relation to International Auditing Standards and forthcoming changes expected from the ISA clarity project.
- 4) In March 2010, an update course (Guy Loveday) with focus on recent developments on IFRS's including the introduction of the IFRS for SMEs.

TECHNICAL COMMITTEE

Report by D McHard (DM)

DM thanked all who had contributed in the year, particularly Kristian Menez, who had stepped down after several years. DM reported on several matters which had kept the committee busy during the year, for example:

- 1) Proposed new society audit opinion. An opinion was drafted during the year and legal advice is being sought on it. As soon as it is finalised, it will be sent on and put on the website.

- 2) Amendments to the Companies Act – an EU directive was transposed into law during the year, with several (seemingly) unintended consequences, including the need to disclose audit fees. A paper was produced on these. The committee has also obtained the support of legal draftsmen in rectifying sections of the legislation as necessary. Work in progress.
- 3) Investor Compensation Scheme – the committee was asked to give guidance on quarterly returns to the scheme.

CONSTITUTION CHANGES

As mentioned in the President's report, several amendments were proposed to the constitution, notably:

- The change of the name of the society to "Gibraltar Society of Accountants" as previously voted on [a total of 90 votes were received from members, 48 in favour of the new name ("GSA"), 24 for "GSCCAB" and 18 for "AGA"]
- A change in the structure of the previous sub-committees of the society. The 3 previous sub-committees (training, technical and tax) would be replaced by 4 faculties – tax, audit, finance and insolvency and reorganisation.
- To increase the number of executive members of the society to 8 in total such that there would be space for the chairman of each faculty to sit on the executive.

The proposals are outlined in appendix 1 to these minutes.

All proposals were voted on and all accepted unanimously.

**TO ELECT HONORARY
AUDITOR**

M Cohen was happy to stand as the Honorary Auditor to the Society. There were no objections and so his appointment was unanimously approved.

**OFFICE BEARERS AND
EXECUTIVE COMMITTEE**

The following nominations for the executive committee were received without contest and, as there were no objections, were unanimously approved.

S Reyes as President,
F White as Deputy President,
J Tricker as Secretary and Treasurer
C Vaughan
I Collinson
D McHard
J Canilla
M Harvey

The following members were elected without contest to the respective sub committees:

Tax: A Vasquez, L Gonçalves, JJ Pisharello, P Pilcher, U Bhambhwani, C Summerfield

Insolvency: J Olivera, C Bottaro, M Benady

An election was held to agree on the 6 members of the audit faculty and the finance faculty, 7 members having put their names down for both. The following were duly elected:

Audit: D Delgado, D Cruz, B Pillans, M Samtani, M Hayday, C Celecia.

Finance: C Chichon, J Sapsford, K Menez, M Lord, A Hogg, D Wannon

OTHER BUSINESS

None

There being no further business the meeting was then closed.

APPENDIX 1

Resolutions for changes to GSCCAB Constitution for presentation to AGM

Proposed by Stephen Reyes, seconded by Jon Tricker and approved by the executive.

Proposal 1

Section 1 relating to the name of the Society to be amended to the following:

“The name of the Society is the “Gibraltar Society of Accountants” herinafter called (“The Society”)

Reason : A recommendation was made by several members to simplify the name of the Society and this name was chosen as a result of a survey procedure carried out by the Secretary.

Proposal 2

Part (a)

Sub-section 2(2) relating to the Objects of the Society to be amended to the following:

“To promote best practice, ethics and standards in accounting, auditing, taxation and insolvency & reorganisation.”

Reason : to more accurately reflect the activities of the Society’s members.

Part (b)

Section 12 relating to standing committees to be amended as follows :

1. The title of the section to be amended to “Faculties and ad-hoc committees”;
2. Sub-section 12(a) to be abolished;
3. A new sub-section 12(a) to be included as follows:
 - (a) The Society will constitute four separate faculties, known as the Tax Faculty, the Audit Faculty, the Finance Faculty and the Insolvency & Reorganisation Faculty. Members of the Society will be free to join any or all of the Faculties. Each Faculty will have a managing committee made up of a chairman appointed by the President from members of the executive committee and 6 other members elected at

an AGM. The President has power to fill casual vacancies. All members of each faculty managing committee may offer themselves for re-election at every AGM. The terms of reference of each faculty will be:

- i. To promote best practice in their field;
- ii. To advise the executive and the broader membership on matters of interest relating to their field;
- iii. To provide thought leadership in their field;
- iv. To provide continuing professional education in their field.

No executive action may be taken by any Faculty committee without the express approval of the Society's executive committee. Each faculty will report to the membership at each General meeting of the Society on what it has been doing since the last General meeting.

Reason : These new faculties more accurately represent the activities of the membership and will allow more focused thought leadership and training to be carried out by those who are truly interested in the faculty's field. They will also provide a more formalised structure than sub-committees and hopefully change the perception that we are just auditors. This formalised structure will provide a better platform for the Society to take the lead in Gibraltar in tax matters, where we plan to issue guidelines on Gibraltar tax and are also looking to introduce our own tax qualification. This will be perceived much better coming from the "GSA Tax Faculty" than from the "GSA Tax Sub-committee".

Part (c)

Sections 8 and 9 relating to the composition of the Executive Committee of the Society to be amended as follows:

1. The first two sentences of Section 8 shall be replaced with the following "The Officers of the Society shall consist of a President, who shall act as Chairman, a Deputy President, a Secretary/Treasurer and five other members elected to the executive committee."
2. Sub-section 9(b) – the word "five" to be replaced with "eight" and the members of the executive committee to be as follows:

The President
The Deputy President
The Secretary/Treasurer
Five other members

The second sentence of the last paragraph of section 6 relating to the Annual General Meeting shall be amended as follows :

1. Sub-section (c) to be amended to “to elect the President, Deputy President, Secretary/Treasurer and five other members to the executive committee and an auditor;”
2. Sub-section (d) to be amended to “to elect members to the Faculty Committees;”

Reason : To increase the number of members of the executive committee to include two additional members, so that there are enough to cover the four faculties and still have one independent member.

Proposal 3

The second sentence of the last paragraph of section 6 relating to the Annual General Meeting shall be amended as follows :

1. Notice of business to be transacted under (e) above must be forwarded to the Secretary not later than 5 working days prior to the date of the AGM giving details of the proposed Resolution and the names of the Proposer and Secunder.
2. All clauses in the constitution to be renumbered to accurately number this section.

Reason : To introduce sensible timescales for presentation of submission of Resolutions to the AGM.

Proposal 4

Section 7 re general meetings to remove the requirement for one further general meeting per year (in addition to the AGM).

Reason: Requirement for an additional meeting felt unnecessary; better as an option rather than a requirement.