

Statement issued to Creditors

Explanation of the causes of the Company's failure

Background

Prior to incorporation, six Associations, ("6 Associations") being the European Association for Transactional Analysis Associations ("EATA"), International Transactional Analysis Association ("ITAA"), Federation of Transactional Analysis Associations ("FTAA"), United Kingdom Association for Transactional Analysis ("UKATA"), International Association for Relational Transactional Analysis ("IARTA") and the Institute of Development Transactional Analysis ("IDTA"), signed a contract ("Contract") whereby they agreed to cooperate with each other to hold the World Transactional Analysis Conference ("Conference"). The Contract detailed how the Conference would initially be funded and how any future profits and losses would be split between the 6 Associations. The Contract was originally signed on 18 April 2019. A revised version incorporating revised shares of profits and losses was signed on dates ranging from 18 to 20 January 2020. This version also included the budget that had been approved by ITAA, EATA and FTAA when they had determined the attendance fee and range of discounts for the Conference.

By the time the second version of the 6 Associations contract was signed, UKATA, IARTA and IDTA (the 3 UK-based Associations tasked with organising the Conference) had agreed a limited company was required due to the size of the Conference, the requirement to be registered for VAT, and to protect the Associations from any large financial risk should anything happen that would not be covered under conference cancellation insurance. The limited company was set up to manage the business contracts and the financial transactions.

The Contract included the signature of the Director in her role as representing the IDTA. Both versions of the Contract included an Authority Diagram that indicated that the Director would Chair an Organising Committee comprising volunteers from the three UK-based Associations. This Committee would report via an Association Committee, comprising UKATA, IARTA, IDTA, to a Steering Committee, comprising ITAA, EATA, FTAA, which would have the final decision-making authority.

When financial problems due to coronavirus were recognised, the IDTA advised that they had insufficient reserves to provide their share of losses within that original contract, and were not represented in decisions then made by EATA, ITAA, FTAA, UKATA and IARTA ("the 5 Associations").

Trading

The Company was incorporated on 18 March 2019 and named World TA Conference 2020 Ltd to reflect its purpose of managing the business contracts, financial transactions and financial risks for the Conference from 16 to 18 July 2020 and for the arrangements and contracting with venues for the associated events usually run alongside such conferences and specified in the Contract.

The Director signed a contract on 23 April 2019 with the Hilton Metropole Hotel for the Conference, based on a booking already arranged by UKATA before 7 January 2019. The Director signed contracts on 22 July 2019 for associated events on behalf of UKATA, IARTA and IDTA, and on 30 October 2019 for associated events on behalf of ITAA and EATA. The Company requested and received additional seed money funding from the ITAA, EATA and FTAA and paid the 10% deposits to the Hotel for all bookings made.

On 29 June 2019 the Company began accepting bookings and payments from individuals for the Conference. The Company had 1,000 places available and by 27 February 2020 679 bookings had been made, there was an allocation of 39 free places for officers of the 6 Associations, interpreters and other volunteers, and 47 cancellations had been processed. New bookings had been arriving at the rate of two or three per day. The commitment to the Hilton Metropole Hotel was for only 800 places and the Conference fee had been based on a breakeven calculation of 600 bookings. The Company

did not have any concerns that the 1,000 available places would not be filled, or that there would be any financial difficulties once all 679 payments had been received.

On 28 February 2020 a cancellation was received that stated it was due to coronavirus. After that, only 8 more bookings were received, with the last on 19 March 2020.

On receiving the cancellation that mentioned coronavirus, the Organising Committee submitted a plan to the 6 Associations on 2 March 2020 and received approval on the same day to offer an online conference in addition to the on-site conference, with the possibility of combining the two options.

Further requests for refunds continued to be received and the Director realised that, even if the Conference venue were to be closed in July, there were insufficient funds available to make full refunds to everyone who had paid for a booking. Expenditure had been in line with the approved budget. On 7 March 2020 the Director alerted the 6 Associations to this problem and requested they cooperate to find some way that additional funds might legally be provided even though there was no legal way to enforce any link between the Company and the 6 Associations. A negative response was received from EATA on 11 March 2020.

Following that, the 5 Associations continued to provide conflicting responses, variously claiming to support actions taken by the Company, stating that on-site and online conferences and associated events were not viable, claiming that liquidation was not necessary, and that they needed more time for consideration. On 22 March 2020 the ITAA Treasurer stated that he was writing on behalf of the 5 Associations and that they would support the outcome of a negotiation with the Hilton Metropole Hotel.

The Director negotiated with major creditor Hilton Metropole Hotel on the basis of the plan submitted by the Organising Committee that had been authorised by the Associations on 2 March 2020. Hilton Management agreed to charge only for the number of participants who would be able to attend in July. This meant that the Company was no longer insolvent. On 6 April 2020 the Director advised the 6 Associations of this agreement. On 10 April 2020 EATA and ITAA advised the Director verbally that their Associations were no longer supporting that arrangement and on 15 April 2020 the 5 Associations announced this publicly and implied inaccurately that the Director had been part of that decision-making process. 10-13 April 2020 were nonworking days in the UK.

On 27 April 2020 the Director re-negotiated with the Hilton Metropole Hotel to defer the Conference until July 2023. The 6 Associations were advised of this option on 28 April 2020. 288 of the creditors agreed to this option. The Company was therefore able to provide refunds to those others who had not agreed to the postponement.

On 4 May 2020, the 5 Associations issued public statements that the conference was cancelled, that it would not be postponed, that the online conference was not supported by them, and stating that they would look favourably on a bid to run such a conference again in the UK in 2023.

As a result of that public announcement, the Director concluded that it was no longer possible to run the conference in any format and on any date and therefore the Company was insolvent because, even if the Hilton Metropole Hotel were to be closed in July 2020 and ceased therefore to be a creditor, the Company had insufficient reserves to pay its other creditors in full.

In conclusion, the Director attributes the failure of the Company to the cancellation by the 5 Associations of the World TA Conference 2020, for which the Company had been established to handle the business contracts, financial transactions and associated financial risks.

Signed by Julie Hay on 1 June 2020