

# Club Governance

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Bedford Harriers AC is referred to as the 'Club' in the following document.

## Introduction

Members will have noticed the regular occurrence of the mention of Club Governance in the published committee minutes, usually referred to as CASC.

The Committee has effected a review of the Club's Governance and sought to understand the current position and also evaluate future options. Members should be aware that the Club's Officers and Managing Committee have a duty of care, in all respects, to the Club's Members.

Club governance can be broadly defined as the making and administration of club policy covering such details as the legal status of the club, club members voting rights, club management, club constitution and the like.

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## Section one

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### Legal status

#### Current situation

Bedford Harriers AC is currently an Unincorporated Association, defined by the Government as follows;

‘An ‘unincorporated association’ is an organisation set up through an agreement between a group of people who come together for a reason other than to make a profit, eg a voluntary group or a sports club.

You don’t need to register an unincorporated association, and it doesn’t cost anything to set one up.

Individual members are personally responsible for any debts and contractual obligations.

If the association does start trading and makes a profit, you’ll need to pay Corporation Tax<sup>1</sup> and file a Company Tax Return<sup>2</sup> in the same way as a limited company.’

The advantages and disadvantages of an unincorporated association are compared in the following table; please note that some descriptions appear as both advantages and disadvantages.

Unincorporated Association	
Advantages	Disadvantages
They are simple to set up, being founded by agreement between the members, no further steps such as registration are required.	The club does not have limited liability, the officers and sometimes the members of the club may be held liable for the debts of the club and for the performance of the club’s contracts and other obligations – *see below paragraph on the liability of members, officers and trustees.
It is not a corporate body and does not have a separate legal existence from its individual members, accordingly it can neither sue nor be sued other than through its officers and members.	It is not a corporate body and does not have a separate legal existence from its individual members, accordingly it can neither sue nor be sued other than through its officers and members.
Privacy – an unincorporated association does not have to file accounts and other information with Companies House or with the Registrar of Friendly Societies.	It cannot hold land and investments other than in the name of officers or trustees.
In relation to the day to day running of the club, banks and other suppliers are happy to deal with the Club’s officers.	No statutory liquidation procedures exist and an unincorporated club cannot be voluntarily wound up under the Insolvency Act 1986.
The club cannot make formal contracts; any contract which has been entered into in the club’s name could be null and void.	The club cannot make formal contracts; any contract which has been entered into in the club’s name could be null and void.
Low compliance costs.	

Liability of members, officers and trustees

## Unincorporated Associations – Liability of Members, Officers and Trustees

An unincorporated members' club cannot sue nor be sued, or hold property in its own name. Accordingly, when an outsider is trying to sue an unincorporated association an important question is, who is actually liable? It must be pointed out that instances of members and officers becoming liable for debts incurred by an unincorporated club are rare, this being due either to the fact that third parties are reluctant to sue individual members and officers, or are unsure of the legal outcome of their actions. Where action is brought it is usually against the chairman and secretary in the first instance, the action can be extremely distressing for the club officers involved.

This is a confusing area of the law and because of the lack of case law it is difficult to be definitive on the outcome of any action brought. The distress felt by members and officers is often compounded by this uncertainty and attempts to determine what their actual liability is. Club members tend to have two conflicting views of the position, either they believe they are not liable for any debt, or that they have unlimited liability. As a general rule a member's liability is limited to the amount of the subscription because when he joins a club he does not intend to incur any liability beyond his subscriptions payable under the rules. However, if a member or officer is found liable for a debt his liability is usually unlimited.

### Personal Liability

The principal weakness of unincorporated associations is Personal Liability. Insolvencies of clubs have shown that officials may (as a last resort) be sued for club debts and theoretically all members may be liable.<sup>3</sup> In one case creditors took individual members to court and they were means tested as to their ability to pay.

### Limited liability

There are a number of alternatives to an unincorporated body and the main attraction is the reduction in personal liability of members by enabling a club to exist as a separate entity and enter into contracts in its own right. The following are the principle alternatives:-

### Limited Company

The great majority of businesses are run through limited companies and there are two types.

#### A) A Company Limited by Guarantee

Members of the company do not hold shares but guarantee, in the event of a winding up, to contribute a sum of money, normally £1. Such companies are non-profit making and the rules and regulations of the company allow one member one vote in general meetings. In the event of a winding up, surplus funds must be transferred to a similar non-profit making organisation/s and no funds are distributed to the members.

#### B) A Company Limited by Shares

Members of the company hold shares and can receive dividends on those shares. The shares can be transferred to other members. The principal aim of companies limited by shares is to make a profit and they are taxed

accordingly. The rules and regulations of the company give the shareholders voting rights in relation to the number of shares they hold. Shareholders with more than 50% of the shares therefore control the company.

#### Industrial and Provident Society

Most working Men's Clubs are registered under the Industrial and Provident Societies Acts. The Industrial and Provident Societies Acts were drafted originally to govern co-operative societies whose business was intended to be conducted for the good of the community and were non profit making. Members purchase one share and in general meetings the rules allow one member one vote. In the event of winding up, the funds are distributed amongst the members.

#### Summary

In companies limited by shares, the company is run by directors, but guarantee companies and Industrial and Provident Societies are run by an elected Committee.

Of the three types of organisations above, the ones best suited for non-profit making bodies such as sports clubs seeking to limit the liability of members are the company limited by guarantee and the Industrial and Provident Society and since Industrial and Provident Societies do not conform to the requirements of the Community Amateur Sports Club requirements<sup>4</sup> (CASC) it seems the best fit is the Company Limited by Guarantee. Also see section three.

#### Conclusion

In an increasingly litigious age the Personal Liability issues identified need to be addressed to protect members.

#### Recommendation

A proposal is put to an AGM or EGM seeking the adoption of a policy to incorporate the Club as a Company Limited by Guarantee and the Guarantee to be limited to £1 per member in the event of the Club being wound up or dissolved.

The Club Constitution would reflect the above proposal assuming it is adopted. Also see section four.

## Section two

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#### Corporation tax

It has become apparent that the Club's financially successful promotion of road races over recent years has generated substantial surpluses necessitating a comprehensive evaluation of the Club's historic tax liability situation together with the need to assess the future legal status of the Club (see section one), future corporation tax liability issues and the options available.

#### Historic Corporation Tax Liability

At the time of writing it has been established that the Club generated considerable surpluses from the promotion of the Club's races. In respect of Corporation Tax liability and assessment it is understood that the Club is treated as a trading entity in respect of revenue and surpluses generated from its non-member trading activities.

For the Club's purposes the meaning of 'non-member trading activities' refers solely to the revenues and surpluses generated in respect of entrants, (not finishers), in the Club's races where the entrant is not a member of Bedford Harriers. Equipment purchases and insurance premiums are offset against the surpluses in the calculation of the potential Corporation Tax liability.

The potential Corporation tax due to HMRC has been established by extracting data from the races and the Club's accounts.

Corporation tax is due on said surpluses from non-member trading activities at the nominal rate of 20%.

The estimated Corporation Tax liability is set out in the table below.

Calendar year ending	Income	Expenditure	Surplus	Equipment purchase & insurance	Tax 20%
2015	£ 50,697.65	£ 32,986.64	£ 16,789.42	£ 4,434.49	£ 2,470.99
2014	£ 49,832.41	£ 36,711.08	£ 13,121.33	£ 2,581.12	£ 2,108.04
2013	£ 45,792.07	£ 45,577.50	£ 214.57	£ 2,727.77	-£ 502.64
2012	£ 69,862.36	£ 40,810.88	£ 29,051.48	£ 9,437.32	£ 3,922.83
2011	£ 59,566.30	£ 38,475.99	£ 21,090.31	£ 1,889.91	£ 3,840.08
2010	£ 60,899.77	£ 51,482.66	£ 9,417.11	£ 25,360.17	-£ 3,188.61
2009	£ 71,000.18	£ 46,851.44	£ 24,148.74	£ 1,424.97	£ 4,544.75
2008	£ 41,810.59	£ 31,605.97	£ 10,204.62	£ 2,393.35	£ 1,562.25
2007	£ 46,233.48	£ 30,594.19	£ 15,639.29	£ 246.33	£ 3,078.59
2006	£ 41,618.49	£ 30,916.30	£ 10,702.19	£ 1,590.44	£ 1,822.35
Totals			£ 150,379.06	£ 52,085.87	£ 19,658.64

### Summary

The Club's current estimated Corporation Tax liability amounts to £17,187.65 as at the end of 2014. There is some uncertainty as to how far back historically the Inland Revenue are permitted to go in order to recover unpaid tax; there is some evidence that it is limited to 6 years. This being the case the potential tax liability will be less than the figure quoted above although members should be prepared for a penalty for late payment/declaration. Representation to HMRC has already been made and a response received advising registration with Companies House. Registration by Companies House has been applied for, and rejected due to incorrect fee, lack of Memorandum of association and incorrect Articles of association.

### Conclusions

There is no avoiding the fact that the Club needs to pay Corporation Tax; the uncertainty of the precise amount and the potential fine will affect the Club's future. Government (HMRC) regimes exist to assist sporting clubs such as Bedford Harriers, by either reducing, or eliminating the Corporation Tax burden.

## Recommendations

The Club seeks to resolve the indebtedness to HMRC without delay in order to provide certainty for the future.

The Club adopts a government (HMRC) regime to reduce or eliminate the Corporation Tax liability.

## VAT

Club revenues might appear to have exceeded the permitted threshold for VAT registration on a number of occasions, however advice suggests that the Club activities are exempt from VAT as a non-profit making organisation supplying sports services. Advice cites case law *Kennemer Golf & Country Club v Staatssecretaris van Financiën (C-174/00)*

## Note binding

The membership should be aware that the calculations and interpretations for both Corporation Tax and VAT are subject to confirmation, correction and amendment by the appropriate Government body. Members should also be aware and be prepared that the Club may incur fines, penalties and interest charges that cannot be quantified in advance.

## Section three

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### Amateur Sports Club requirements (CASC)

The Community Amateur Sports Club (CASC) Scheme was introduced by HMRC in April 2002.

Registering for CASC provides a Club with a number of benefits; the principal benefits and drawbacks in respect of Bedford Harriers is detailed below.

<b>CASC Registration</b>
Benefits
Exemption from Corporation Tax (CT) on;
UK trading profits if the turnover from that trade is less than £50,000 a year
Interest received
Chargeable gains
Property income if the total income from property is less than £30,000 a year (not currently applicable to Bedford Harriers AC)
Gift Aid -on qualifying donations
Gift Aid small donations -payments on small cash donations
Mandatory 80% charitable rate relief
Other tax reliefs available to encourage individuals and companies to support CASCs

Club must adopt a written constitution
<b>Drawbacks</b>
Exemption from Corporation Tax (CT) on UK trading profits is restricted to a maximum trading turnover of £50,000 per year, if trading turnover exceeds £50,000 the whole of the trading profits are subject to Corporation Tax; the liability is not incremental.
The Club must meet the following conditions; (the principal conditions are listed here but there are others)
Be open to the whole community
Be organised on an amateur basis
Have as its main purpose the provision of facilities for, and the promotion of participation in, one or more eligible sports
Not exceed the income limit
Meet the management condition
Meet the location condition
Club must adopt a written constitution
Once accepted as a CASC registered organisation a Club cannot apply to be recognised as a charity
Provide for the distribution of assets on dissolution in a CASC regulated manner, usually another CASC registered club with similar objectives
Club must ensure at least 50% of the members are 'participating members'
There are no specific VAT reliefs for CASCs (unlike charities). CASCs are therefore not eligible for the charity VAT reliefs on purchases of goods and services

## The Charity Commission

The Charity Commission registers and regulates charities in England and Wales.

Research suggests that there are many similarities between CASC registration and registering as Charity.

Registered charities enjoy some VAT relief benefits on the purchase of goods and services, these benefits are unavailable to CASC registered organisations however a registered charity is subject to a greater extent of regulation by the Charity Commission including, but not limited to, regulations that dictate accounting and auditing procedures and reporting on its achievements and performance, including reporting on its public benefit.

For a full comparison see CASC AND CHARITY STATUS FOR CLUBS<sup>5</sup>, a table of comparison compiled by Richard Baldwin MBE, CTA, FCA

## Summary

The CASC regime provides a legitimate method of reducing or eliminating the Corporation Tax burden.

## Conclusion

The Club already meets many of the conditions required for CASC registration, either through its written set of rules or by historic custom and practice.

The statement 'Exemption from Corporation Tax on UK trading profits if the turnover from that trade is less than £50,000 a year' requires careful consideration. See table below for clarity.

Trading turnover		Result
Trading turnover below £50,000	=	Exempt from corporation tax if registered CASC
Trading turnover over £50,000	=	Corporation tax is payable on all surpluses, not just on the excess over £50,000.
Trading turnover over £100,000	=	CASC de-registration. Unless steps are taken to reduce the income below the threshold, i.e. via a registered company or reducing races / race entrants.

From the table in section two, 'Corporation Tax' it is evident that the Club exceeded the £50,000 limit in the years 2009, 2010, 2011, 2012 and 2015, was close to it in 2013 and perilously close in 2014.

Guidance from HMRC suggests the Club could establish a trading subsidiary, wholly owned by the Club.<sup>6</sup> Briefly, the trading subsidiary would be registered for Corporation Tax and VAT, the same as any limited company, however the trading subsidiary could make donations to the Club under corporate Gift Aid, benefiting the Club and reducing its own profits chargeable to Corporation Tax by virtue of the Gift Aid amount donated to the Club.

Should the Club exceed the £50,000 trading turnover limit the Club faces CASC Deregistration and may be asked to pay Corporation Tax and interest if applicable.

#### Recommendation

A proposal is put to an AGM or EGM seeking the adoption of a policy to apply for CASC registration to obtain the exemption from Corporation Tax.

The membership discusses and decides on whether to control the trading turnover restricting it to £50,000 per year or opt to establish a trading subsidiary.

#### Summary of options

Action		Result
Do nothing	=	Pay full Corporation Tax on surpluses generated from the races
Register for CASC and restrict trading turnover to £50,000.00	=	Exemption from Corporation Tax



Register for CASC, do not restrict trading turnover, establish a trading subsidiary	=	Trading subsidiary donates to the Club under Gift Aid thereby reducing its Corporation Tax liability
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## Section four

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### Club constitution

#### Proposed Constitution

#### Legal status

The Club is formally registered as a Limited Company, limited by guarantee.

In the event of the Club being wound up all Members have their personal liability limited to £1, except Members under 18 where their liability is zero.

#### Community Amateur Sports Club

The Club is registered with HMRC as a Community Amateur Sports Club (CASC) per pertinent Corporation Tax Act and Community Amateur Sports Clubs Regulations.

#### Club Name & Colours

The Name of the Club is Bedford Harriers Athletic Club and it was established in 1985. The Club Colours shall be a gold top with a diagonal black strip and black shorts. Variations on the kit styles and forms are permitted as long as the base gold and black colours are maintained.

#### Objects of the Club

The Objects of the Club are:

- To facilitate participation in, and promotion of, the amateur sports of recreational and competitive running (including cross country, trail running/racing, multi-terrain), athletics, triathlon and duathlon and related sporting & social activities, in the area of Bedfordshire and amongst the local community.

- To provide other ordinary benefits of an amateur sports club as set out in the statues Corporation Tax Act and Community Amateur Sports Clubs Regulations and their amendments.
- To do all such things as the Committee thinks fit to further the interests of the club or to be incidental or conducive to the attainment of all or any of the objects above.
- The club will keep subscriptions at levels that will not pose a significant obstacle to people participating. The club committee may refuse membership, or remove it, only for good cause such as conduct or character likely to bring the club or sport into disrepute. Appeal against refusal or removal may be made to the members.
- Be organised on an amateur basis.

## Membership of the Club

### Membership Application

Membership of the Club shall be open, on application, to anyone interested in the amateur sports of recreational and competitive running (including cross country, trail running/racing, multi-terrain), athletics, triathlon and duathlon and related sporting & social activities, regardless of sex, age, disability, ethnicity, race, nationality, sexual orientation, occupation, religion, political or other beliefs except as a necessary consequence of the requirements of the governing bodies of, UK Athletics, Association of Running Clubs, England Athletics, British Triathlon Federation, Triathlon England (or their relevant successor bodies) and other sport governing body requirements.

The number of members is unlimited, subject to Health & Safety and welfare considerations as determined from time to time by the Club's Committee.

Individuals who wish to become members of the Club must apply using the Membership Application Form.

By becoming a member of the Club, every member agrees to abide by the Club's Constitution and Rules; the rules of competition and other rules and regulations of the aforementioned governing bodies.

### Membership Classes

The Club shall have the different classes of membership set out below

Class description	Age	Voting rights	Renewable	Renewal fees
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Full member	Over 18	1 vote	Periodically	As agreed by the membership from time to time
Junior member	Under 18	0 vote	Periodically	As agreed by the membership from time to time
Concessionary member over 60	Over 60	1 vote	Periodically	As agreed by the membership from time to time
Concessionary member full time student	Over 18	1 vote	Periodically	As agreed by the membership from time to time
Honorary member	Over 18	1 vote	Periodically	As agreed by the membership from time to time
Honorary member	Under 18	0 vote	Periodically	As agreed by the membership from time to time

## Subscriptions

The Club may, as a condition of membership, require annual or other periodic subscription fees to be paid by Members of the Club, as determined from time to time by the Membership at an AGM/EGM provided that the Membership shall ensure that the subscription fees are set on a non-discriminatory basis and do not preclude open membership of the club.

## Cessation of Membership

Members may resign from membership at any time by notice to that effect given to the Club Secretary. A member who resigns shall not be entitled to any refund of subscriptions in respect of the remaining period.

Membership shall not be transferable and shall cease immediately on death or on the failure of the member to comply with any condition of membership set out in this Constitution.

The Committee shall have the power to expel a Member when, in its opinion, it would not be in the interests of the sport or the Club for that individual to remain a member. Such expulsion shall be carried out in accordance with the Disciplinary Procedures (or similar) as published by the sports' governing bodies.

Any person shall, upon ceasing to be a Member of the Club, forfeit all rights to and claims upon the Club and its property and funds.

## The Club Committee

The day-to-day management of the Club shall be deputed to a Committee consisting of five Honorary Officers, comprising of Chair, Vice Chair, Treasurer, Secretary, Membership Secretary, Race Management Secretary and not less than seven Ordinary Committee Members, (the maximum being at the discretion of the AGM), all of whom to be elected annually. Six Committee members are required to form a quorum at Committee meetings. The Committee may co-opt any member to the Committee as it deems necessary.

## Election of Committee

Any Member may be nominated by any other two Members, with his/her approval, as a candidate for any of the posts of Honorary Officer or Ordinary Committee Member by notice in writing (including email) to the Secretary before the Annual General Meeting or by completion of the published nomination form prior to the Annual General Meeting.

A Member may accept nomination for, and hold, more than one Officer position.

If the number of candidates for the post of any Honorary Officer is only one, that candidate shall be declared elected unopposed. If the number of candidates is more than one, candidates may address the AGM seeking approval. A majority ballot of the AGM will decide the successful candidate.

If the number of candidates for election as the Ordinary Committee Members shall be equal to or less than the number of vacancies, they shall be declared elected unopposed. If the number of candidates is greater than the number of vacancies, a majority ballot of the AGM will decide the successful candidates.

## Leaving Office

The office of an elected member of the Committee shall be vacated if he or she:

- (a) resigns at any time by notice in writing to that effect given to the Secretary and such resignation shall take effect immediately.
- (b) ceases to be a member or shall be excluded or suspended from the Club under disciplinary proceedings.
- (c) is absent from the Committee Meetings for more than two consecutive or one third of Committee meetings without the explicit consent of the Committee, such consent to be recorded in the minutes of the Committee. A member of the Committee who is absent from one third (rounded to the nearest whole number) or more of properly organised Committee meetings without the explicit consent of the Committee between any two AGMs shall be deemed to have vacated his or her position and shall be ineligible to stand for re-election.

The Committee shall have the power to appoint a Member to fill any casual vacancy on the Committee or amongst the Honorary Officers until the next Annual General Meeting. Any Committee Member so appointed shall retire at the next Annual General Meeting but shall be eligible for election at such a meeting.

## Proceedings of the Committee

The Committee shall meet monthly in person. Additional meetings may be called as deemed necessary.

Two-thirds (rounded to the nearest whole), or a minimum of six of the voting members of the Committee shall be the quorum necessary for the transaction of business. A meeting of the Committee at which a quorum is present and has been properly convened shall be competent to exercise all the powers and discretions invested in the Committee by this Constitution.

Proposals arising at any meeting shall be determined by a simple majority of votes illustrated by a show of hands. In the case of an equality of votes, the Chair shall have a casting or additional vote.

The Committee may regulate their meetings and proceedings as they think fit. The Committee shall record the minutes of each meeting, and the recorded minutes put before the next meeting for approval prior to publication to the Membership.

The Committee may invite persons who are not members of the Committee to address a meeting of the Committee.

## Powers of the Committee

The Committee shall be responsible for the management of the Club and shall have the following specific powers to:

- (a) make Club Rules and regulations to allow for the day to day operation of the Club and its activities. Such Club Rules may not supersede or contradict provisions of this Constitution and must be available to Members.
- (b) operate a Member's Welfare policy in accordance with the requirements of the sport/s governing bodies.
- (c) make and give receipts, releases and other discharges for any amount payable to the Club and for claims and demands of the Club.
- (d) invest, place on deposit and deal with any finances of the Club not immediately required upon any investments or securities which the Committee thinks fit.
- (e) issue, sign, draw, endorse, negotiate, transfer and assign all cheques, bills, drafts, promissory notes, securities and instruments, negotiable and non-negotiable, to operate on the Club's banking accounts.
- (f) enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name of, and on behalf of, the Club as they may consider expedient.
- (g) pay all the costs and expenses of, and incidental to, any of the aforesaid matters and things.
- (h) determine how and by whom any such power shall be executed, operations effected and documents signed or things done.
- (i) appoint Members or sub-Committees consisting wholly or partly of the members of the Committee to exercise such functions as the Committee may from time to time delegate to them.
- (j) organise Club activities.

The members of the Committee shall be entitled to an indemnity out of the assets of the Club for all expenses and other liabilities properly incurred by them in the management of the affairs of the Club.

## Club Meetings

### Annual General Meetings

#### Calling Of AGM

The Annual General Meeting of the Club shall be held as close as practical to the last Wednesday in March each year, on a date and at a reasonable time and place to be fixed by the Committee for the following purposes and order of business:

To receive;

Annual reports

Financial reports including balance sheet and statement of accounts

To elect;

Honorary Officers

## Ordinary Committee Members

To decide;

On resolutions and proposals put before the meeting

The Club Secretary shall record any elections conducted at the meeting.

## Extraordinary General Meetings

The Club Secretary shall, on the requisition in writing (including email) of not less than twenty Members entitled to vote at such meetings, convene an Extraordinary General Meeting within 28 days of the receipt by him or her of the requisition stating the business to be raised. No other business is to be discussed at an Extraordinary General Meeting

Notice of an Annual or Extraordinary General Meeting must be given, by the Club Secretary, to the Membership at least 21 days prior to the date of the meeting.

The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive the same shall not invalidate the proceedings at any General Meeting or an Extraordinary General Meeting. Every notice calling a meeting shall specify the general nature of the business to be transacted and shall specify if the meeting is to be an Annual General Meeting or an Extraordinary General Meeting.

At all such meetings the Chair, or in his or her absence a member of the Club selected by those members of the Committee present, shall take the Chair. At all General Meetings or Extraordinary General Meeting every Member shall have one vote unless excepted from voting by the Constitution. Votes may be given in person only. Every resolution submitted to a meeting shall be decided by a show of hands and in the case of an equality of votes the Chair of the meeting shall have a casting vote.

The following rules shall apply to all General Meetings:

- (a) the quorum for a General Meeting shall be thirty five members personally present and entitled to vote. No business shall be transacted at any General Meeting unless the required quorum is present.
- (b) all resolutions (and amendments thereto) shall be put to the meeting.
- (c) resolutions proposed for consideration by a General Meeting shall be submitted in writing to the Secretary at least two weeks before the date of the meeting.
- (d) amendments may be proposed at any time during debate, although the Chair shall have the right to require these to be put in writing together with the name of the proposer.

(e) the Chair shall deal with amendments in the strict order in which they are proposed, although he/she shall have the right to refuse amendments which negate the resolution. If an amendment to a resolution is proposed, no further amendments shall be proposed until the first is disposed of. If an amendment is lost, a further amendment may be moved to the original resolution but only one amendment shall be submitted to the meeting at one time; if an amendment to a resolution is carried, then the resolution as amended shall become the resolution to which further amendments may be proposed.

During the course of debate the proposer of a resolution may accept an amendment to the resolution, in which case the amended resolution shall become the resolution under debate. The proposer can withdraw a resolution or amendment. The resolution shall be debated and decided by the meeting.

The Chair of the General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from the point at which the adjournment took place.

## Accounts

The Treasurer will ensure proper accounts are kept and provide Committee Members with accurate financial reports on monthly basis. The Club's financial records shall always be open to inspection by the Committee.

The Club's Financial Year shall run from 1<sup>st</sup> January to 31<sup>st</sup> December inclusive. The Treasurer shall present accounts for the previous Financial Year to the Annual General meeting for consideration and copies of these will be available to Members at the meeting. If the Accounts are not accepted at the Annual General Meeting, a qualified Accountant may be appointed to investigate members' concerns.

## Property and Facilities

The property of the Club, other than cash at bank, shall be vested in the Trustees who shall deal with the property as directed by resolution of the Committee.

The Club's facilities shall be provided to its members without discrimination.

## Application of Surplus Funds

The Club is a non-profit-distributing organisation. All surplus income or profits are to be reinvested in the club and will be used to maintain or improve the Club's facilities



or otherwise in furtherance of the Club's objects. No surpluses or assets will be distributed to members or third parties.

The Club may also in furtherance with the objects of the Club:

- sell and supply food, drink and related sports clothing and equipment.
- Reimburse any Committee Member or Honorary Officer his/her reasonable and proper out of pocket expenses incurred on Club business; any premium in respect of the purchase and maintenance of indemnity insurance in respect of liability for any act or default of the Committee members in relation to the Club.
- pay for reasonable hospitality for visiting teams and guests.

No Member shall be paid a salary, bonus fee or other remuneration for competing for the Club.

## Interpretation of Club Constitution & Rules

The Constitution may be added to, repealed, or amended by resolution at any Annual or Extra Ordinary General Meeting carried by a majority of the Members voting thereon.

The Committee shall be the sole authority for the interpretation of the Constitution and of Club Rules. The decision of the Committee upon any questions of interpretation or upon any matter affecting the Club and not provided for by the Constitution, shall be final and binding on the Members except if otherwise directed by the Club in an Extraordinary or Annual General Meeting.

## Dissolution of the Club

If at any Extraordinary or Annual General Meeting a resolution for the dissolution of the Club shall be passed by a majority of the Members present, a further Extraordinary General Meeting shall be convened, to be held not less than forty two days thereafter, to further consider the matter.

If, at the subsequent Extraordinary General Meeting, the Members there present, vote to dissolve the Club the Committee shall proceed to realise the property of the Club and discharge all liabilities.

Upon dissolution of the club any remaining assets shall be given or transferred to another registered CASC, a registered charity or the sport's governing body for use by them in related community sports as provided for in the HMRC CASC regulations and as nominated at the Extraordinary General Meeting.

## Notices

Any notice required to be given under this Constitution will be deemed to have been given and received having been sent by mail or email to the last known postal or address of the member as appropriate [or by publication on the Club's website].

## Interpretation of constitution conditions

Interpretation of all the above rules must be consistent with the statutory requirements for CASCs (which means Community Amateur Sports Clubs as first provided for by the Finance Act 2002)

## Appendix

1	<a href="https://www.gov.uk/corporation-tax">https://www.gov.uk/corporation-tax</a>
2	<a href="https://www.gov.uk/prepare-file-annual-accounts-for-limited-company">https://www.gov.uk/prepare-file-annual-accounts-for-limited-company</a>
3	<p>Personal liability of club committee members Davies v Barnes Webster &amp; Sons Ltd 2011</p> <p>A rugby club operated as an unincorporated association. Its governing body was called the management committee. One of the committee members was also the club's president. The club treasurer signed a contract with a firm of builders agreeing to pay a fixed sum for work to be carried out at the club, and also to pay for any additional work agreed during the contract. The president witnessed the signature. The club paid the fixed sum, but the builders also claimed £147,000 for agreed additional work, which the club did not pay. The builders served a written request for the money, a statutory demand, on the president personally for the full sum. If a statutory demand is not satisfied, the creditor is entitled to make the debtor bankrupt. He argued that he was not personally liable for the debt, so the demand should be set aside.</p>

	<p>On appeal, the court said that he was liable to pay. Members of the governing body of an unincorporated association are personally liable for any payment due under a contract entered into on the club's behalf if the governing body has authority under the club rules to enter into it and the club fails to pay. In the absence of evidence to the contrary, the court inferred that the treasurer had been acting on the committee's authority when he signed the contract, so all the members were potentially liable.</p> <p>Even worse for the president, legally the committee members were "jointly and severally" liable. That meant the builder could start bankruptcy or any other legal action against any one of them for the full amount. It would then be up to that committee member to recover their share from the others, but that was of no concern to the builders. Club members should:</p> <p>take legal advice before accepting office as a member of the committee or other governing body of an unincorporated association, to reduce the risk of being taken to court for payment of the association's debts</p> <p>ensure that fellow committee members are aware of their potential personal liability before an unincorporated association enters into a significant contract or carries out any activity that could create a legal liability — for example, for personal injury — if things go wrong</p> <p>Reproduced courtesy of ICAEW  <a href="http://www.icaew.com/en/archive/library/subject-gateways/law/contract-law/legal-alert/case-law-personal-liability-of-club-committee-members-highlighted">http://www.icaew.com/en/archive/library/subject-gateways/law/contract-law/legal-alert/case-law-personal-liability-of-club-committee-members-highlighted</a></p>
4	<p>Community Amateur Sports Clubs: detailed guidance notes  <a href="https://www.gov.uk/government/publications/community-amateur-sports-clubs-detailed-guidance-notes/community-amateur-sports-clubs-detailed-guidance-notes#the-benefits-of-becoming-a-casc">https://www.gov.uk/government/publications/community-amateur-sports-clubs-detailed-guidance-notes/community-amateur-sports-clubs-detailed-guidance-notes#the-benefits-of-becoming-a-casc</a></p>
5	<p>CASC AND CHARITY STATUS FOR CLUBS  <a href="http://www.cascinfo.co.uk/">http://www.cascinfo.co.uk/</a></p>
6	<p>Trading subsidiary  <a href="https://www.gov.uk/government/publications/community-amateur-sports-clubs-detailed-guidance-notes/community-amateur-sports-clubs-detailed-guidance-notes#the-benefits-of-becoming-a-casc">https://www.gov.uk/government/publications/community-amateur-sports-clubs-detailed-guidance-notes/community-amateur-sports-clubs-detailed-guidance-notes#the-benefits-of-becoming-a-casc</a></p>

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