

# **EGM TO CONSIDER PROPOSALS TO CHANGE THE CLUB'S FORMAL STATUS FROM UNINCORPORATED TO BECOME A CHARITABLE INCORPORATED ORGANISATION, MONDAY 11 SEPTEMBER 2017**

## **MINUTES**

The meeting was attended by 26 senior members including the Chairman, the Secretary (non voting social member) and the Treasurer and was therefore quorate. 2 additional Committee members arrived before the end of the meeting

28 days notice of the meeting had been given to all members.

Apologies for absence were received from David Sawyer, Katherine Willis, John Brotherhood and Janet Brotherhood.

The Chairman welcomed everyone to the meeting. By way of introduction, he said that the club had made considerable progress over the previous 3 years in terms of organisation, maintenance and finance and was in a position where it was appropriate to consider its formal status. The Committee was of the view that it was in the interests of the Club to become a Charitable Incorporated Organisation, and he handed over to the Treasurer, Geoff Green, to explain the thinking behind this. The Chairman took the opportunity to thank Geoff and Ange Green for their considerable efforts in preparing the proposal, and John Davy and Robbie Watt for their support.

Geoff presented the attached slide pack. Geoff said that he and the Chairman had attended a LTA session on the formal status options available to tennis clubs. In common with most tennis clubs, Purley Bury was unincorporated and as a result did not benefit from the limitation of liability for members regarding any legal actions, debts, taxes etc. Furthermore, although the club benefitted from a 100% rebate on Business Rates, this was within the gift of Croydon Council who were known to be strapped for cash and who could withdraw the rebate at any time. Furthermore, as the Club had no formal status it had no formal tax position.

There were a number of options available to the Club of which the most relevant were to become a Community Amateur Sports Club (CASC) or a Charitable Incorporated Organisation (CIO). Other options mentioned but not covered in detail were simply to become a limited company or a Cooperative Society.

CASC was essentially a tax regime administered by HMRC which gives assured tax status, guaranteed 80% rebate on business rates with the remaining 20% discretionary, and gift aid on donations. However, it did not provide incorporation which limits liability. Many sports clubs, including the Purley Bury Croquet Club had adopted this.

In the case of CIO, the Club would become a charity and as such would be an incorporated organisation with limited liability, administered by the Charities Commission. The club officers could, of course, be liable in a case of proven negligence, but strong governance and attention to Health and Safety and risk assessment remains paramount throughout the Committee and at the Club. In other respects, the benefits would be the same as under CASC, but with a lighter touch accounting regime. This status was recommended by

the LTA. The only disadvantage was that the initial set up would be time consuming. The draft constitution that would be required had been made available to members before the meeting, and was available at the meeting and is attached to these minutes. There was also the complication that the bar would need to be set up as a separate trading entity as a subsidiary of the CIO which then donated its profits to the CIO.

The Committee recommended that we seek to become a CIO. The Club was a not for profit organisation run by the members for the members and membership was encouraged throughout the local community. It was very much in line with the Club's volunteering ethos and participation in the local community that it should become a Charity.

There was then an opportunity for questions

Joan Thompson asked about the members' liability in relation to the public right of way. Geoff responded that, as things stand, the Club officers and members could potentially be personally liable if an accident occurred, but the Chairman pointed out that all reasonable steps are taken by the Committee members, as outlined earlier, to prevent exposure to such risk. If the Club becomes a CIO, the Club as an entity becomes liable in the first instance should a claim arise.

Robbie Watt asked for clarification on social members. Geoff said that only playing members could be voting members of the Charity with the following exceptions, ex-players no longer able to play, volunteers who contributed to the running of the club but did not play, and parents of juniors who did play. People wanting simply to enjoy the social facilities provided by the club could become associate non-voting members of the Trading Subsidiary for the bar.

Val Cutmore asked about the implications for the lease. The Chairman explained that it made no difference. The Bowls, Croquet and Tennis Clubs already had different status. Their liabilities under the existing and future leases would not change.

A vote was then taken on the proposal to seek CIO status

Those FOR seeking CIO status

- 28

Those AGAINST seeking CIO status

- Zero

PASSED UNANIMOUSLY

The Chairman thanked everyone for attending and for the interest they had shown in the future success and viability of the Club. He said the committee would keep them informed of developments as the application for CIO status progressed.