

WESTCLIFF RUGBY FOOTBALL CLUB
MINUTES OF THE GENERAL MEETING HELD ON
16th September 2022 AT THE GABLES

Present

Nick Crow – President & EGM Chairman (NC); James Evans – Club Chairman; Richard Johnson – Secretariat; Corrie Thomas (CT) – Club Treasurer; Darren Marrant; James Beaumont; Ty Harris; Jamie Lewis; Peter Mahoney; Tim Ablethorpe; Georgina Morant; Roger Northwood; Ana Ribeiro; Megan Mahoney; Patrick Redding; Dash Allum; Alec Hartopp; Deb Sippitt; Chris Bard; Bea Bard; Colin Taylor, Adrian Hastie; Darran Hart; Andy Wilson; Nigel Roskams; Len Radley; John Pacey; Aaron Squire; Peter Jones; Keith Dolman; Dick Davies; Trevor Keys; Michael Turner; Rosie Skinner; Steve Skinner; Phillip Miller; Steve Bailey; Rick Compton; Steve Diggins; Mick McKeith, Bob Smith, Danny Garside of Rickard Lucking Accountants and Tax Advisors.

The quorum was met and the meeting opened at 8pm with a short address from NC, who welcomed everyone to the EGM.

Apologies:

Gareth Evans
Cherie Allum
Mike Redding
Bruce Gander
Nick Gape

Proxy

60 Proxy requests received and 6 have been rejected as membership criteria to vote could not be confirmed. 3 additional proxy forms were received on the Day which were accepted giving a total of 57 proxy votes. A list of Proxy nominations is held by the Club Secretary and available for review upon request.

Prior to the first item on the agenda Bob Smith complained about the fact that there were more Proxy votes than attendees.

The committee confirmed that this does not contravene the Clubs Articles and proxies are present to act on another's behalf, so the meeting can proceed.

Items 1: Royal Toast – NC and attendees toasted our Late Queen and New King

Item 2: Presentation regarding the Executive Committees proposal to change the clubs legal structure from a Club with CASC status to a Charitable Incorporated Organisation (CIO).

CT delivered the presentation which was created by the Clubs Executive Committee with the guidance from local legal and Financial advice (BTMK Solicitors & Rickard Luckin Accountants and Tax Advisors) as well as guidance from our regulator, the RFU via RFU guidance documentation.

Presentation:

- **Executive Committees vision for the 1st XV –**
 - The 1st XV should have the opportunity to play rugby at the highest level that still allows it to benefit the whole club. This obviously includes both our Men's & Ladies 1st XV's
- **CASC Regulation –**
 - The Clubs current structure is that of a Community Associated Sports Club. This affords the club various benefits as long as it operates inside the CASC guidelines.
- **Benefits of CASC –**
 - No Corporation Tax
 - Reduced Business Rates
 - Gift Aid Reclamation
- **Restrictions of CASC and their effects –**
 - CASC has a restriction on the payment to players with a maximum allowed of £10,000 per annum. This causes serious issues with the ability of the Men's 1st XV to play at national league levels and realistically leagues below. The Executive believe that this could adversely affect aspirations of our youth players looking to play senior rugby.
 - Payroll giving not allowed
 - Some less generous reliefs and more strict requirements from HMRC.
- **Main rules of a Charitable Organisation –**
 - Open Membership
 - Promotion of Charitable Purpose

- **Comparison of Tax Benefits –**

Tax Benefit	CASC	CIO
Gross trading income	Exempt up to £50,000 a year	Exempt if 'primary purpose' trading* and a 'profit of small trades' exemption
Gross income from property	Exempt up to £30,000 a year	Can be exempt
Interest	Exempt	Exempt
Gift aid income	Exempt	Exempt
Company gift income received	Exempt	Exempt
Chargeable gains	Exempt	Exempt
Business Rates Relief	Relief available	Relief available

- **How the Executive committee will make up for any additional revenue –**

- The Club has already started the process of becoming more commercially active to new sponsors
- We are hugely improving our social media which today is a big selling point to new sponsors
- Improving revenue streams to trading subsidiary by offering more varied functions and looking at all costs to increase profitability.

- **Membership –**

- Playing Membership (Includes LC, Mini & Youth)
- Non-Playing Membership with Exemption: Volunteers and people who assist running the club, Youth, Mini & LC Parents, Supporters who help the club raise funds and people who still wish to be associated with the club but for reasons of ill health or age are no longer able to play.
- Social members with above exemption can only be a member of the trading company and will have no voting rights

- **Can the Club legally move to become a Charitable Organisation –**

- We have taken professional advice from Solicitors and Chartered Accountants who have confirmed that the club can legally move to become a Charitable Organisation.
- As we are currently setup as a CASC we would have to setup as a new Charitable Organisation as it is not possible for a CASC to be converted into a Charitable Organisation

- **What will HMRC do if a change is implemented –**

- We have taken Professional advice from Chartered Accountants who are preparing a tax document for the club that will give the Exec Committee guidance in transferring of assets from the CASC to a Charitable Organisation so there would be no tax issues in the restructure of the Club.

- **Executive recommendation**
 - The Executive Committee have discussed this situation over months and months and have looked at the different possibilities such as voluntary relegation and our recommendation to the members is that we change our Structure to that of a Charitable Organisation. We firmly believe that this is the best option to protect the future of our club for the benefit of all members and the organisation.

Introduction of Professionals and Q&A regarding the proposed change –

CT told the membership that we had engaged professionals for advice which were BTMK Solicitors & Rickard Luckin Accountants and Tax Advisors. CT also introduced Danny Garside (DG) from Rickard Luckin who was present to help with questions on the subject.

Questions were then taken from the Membership:

Keith Dolman asked about potential tax implications of the change: DG confirmed that the change will not attract tax, the transfer of assets from CASC to CIO is covered by charitable exemption. DG also added that the transfer of all assets should take place at the same time so that CASC assets are not used from that point which could trigger charges.

Deb Sippit asked for clarification regarding the voting right of parents of the Youth and Mini players and Parents Membership. RJ confirmed that parents would still be able to vote on the behalf of their children and that they could also be non-playing voting members under the membership exemption rules for parents. A parent who has had a child player at the Club may no longer qualify under that exemption if the child no longer plays. Playing status must be current.

Dick Davies was concerned that the Vice Presidents and Life Members would still be able to be voting members. RJ confirmed that himself as with most of the Executive, VPs, and Life members would not be physically able to take the field on a Saturday afternoon and play, many provide valuable assistance with running the club and volunteer and some are parents of current junior players. These exemption categories should cover everyone, which would allow full voting membership.

Chris Bard challenged the Executives interpretation of the rules regarding payment to players and membership status of non-playing members. RJ confirmed that the interpretations were clearly stated in an RFU Guidance document and were also confirmed by our formally engaged advisors, however this didn't satisfy Chris. The Executive promised to double check on the interpretation and obtain additional advice.

Pete Jones raised a general concern about paying more than the £10,000 to players. The Executive confirmed that there will be better budget scrutiny and responsibilities to ensure that the Club does not find itself in financial trouble. The Executive will still work on the principle of "Westcliff player first". All paid players will need payment justification showing how they will benefit the organisation and qualify for their payment level requested, whilst being within the budget. Where special circumstances occur and a player payment falls outside of the set budget, the Executive Committee promises to find the shortfall by raising addition monies.

Chris Bard asked about the cost of Change, CT confirmed that we have an estimate of £2,660 for professional fees.

Dick Davies asked for time scales. CT confirmed an estimate of 3 months from agreement to proceed.

Vote to approve or reject the Committees proposed change -

Vote to change to from a CASC to a CIO organisation, whilst trusting that the Executive Committee seeks further advice and then making the decision to proceed based on the addition advice received.

Result: 30 attendees approve
2 attendees reject
5 attendees abstain
All 57 proxies vote approve

Motion Carried 87 votes to 2 to approve the Committees proposal to change.

NC thanked the Membership and the Committee for their attendance and participation and closed the meeting at 22: 24hrs

**Minutes Prepared by: Richard Johnson,
Club Secretary**