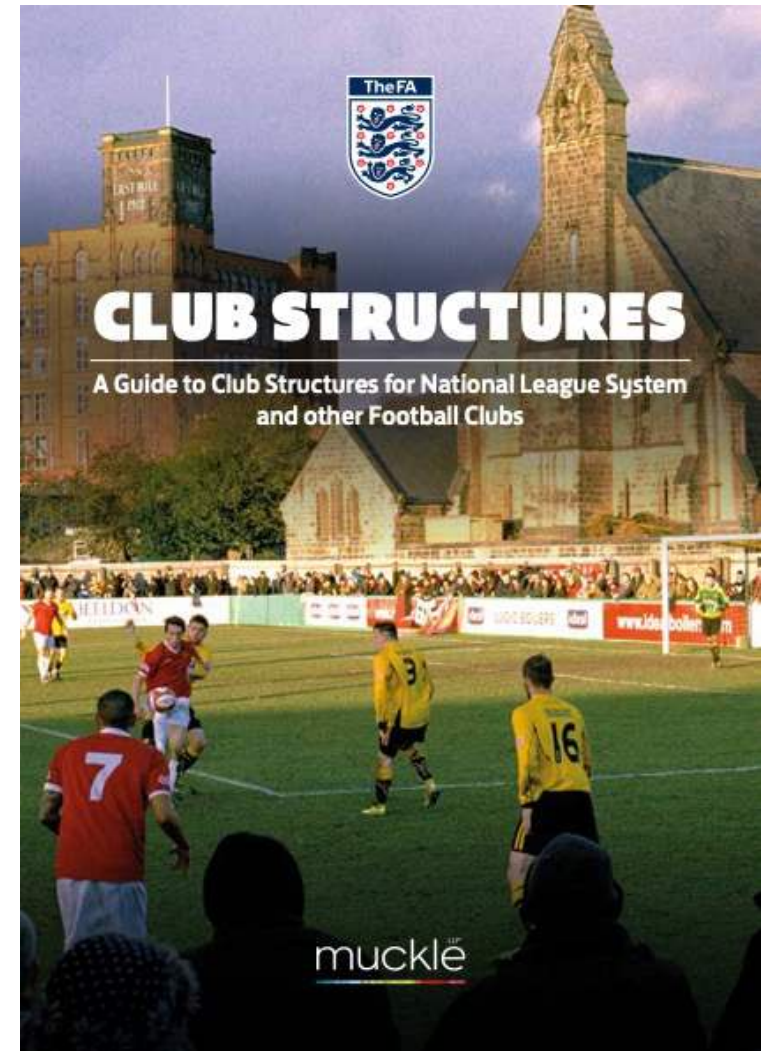


Sandbach United Football Club

Established 2004

(Affiliated to Cheshire County FA)

EGM July 5th 2021



www.sandbachunitedfc.co.uk

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Established 2004

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Why the need for an EGM?

- As the club grows we have a need to adapt our governance structure from today an unincorporated organisation run by trustees (committee) to one of an incorporated organisation. There are major benefits to go in this direction.
- The EGM is called upon to sanction this change which will fall close to the start of our new financial year July 1st and also to limit the liabilities of our trustees and members, but ultimately provide a pathway for future investment and grants to continue to develop and grow our wonderful club.
- More information is in the FA structure document. The purpose of this EGM is to provide information helpful to explain the proposed direction.

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Explanation of Incorporated Organisations

- A **community interest company** (or **CIC**) is a special form of non-charitable limited **company**, which exists primarily to benefit a community or with a view to pursuing a social purpose, rather than to make a profit for shareholders
- A Charitable Incorporated Organisation (**CIO**) is a corporate form of **business** designed for (and only available to) charitable organisations in the **United Kingdom**. ... This aims to reduce bureaucracy for the charity.

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Our Recommendation

- The committee has sought support from its auditors WR Partners (formerly Howard Worth) and CFA along with meeting with Egerton FC.
- The unanimous chosen route for EGM approval is the CIO approach which retains our charitable position. Following the CIC approach would mean registration at companies house with a board of directors which would add complexity and would be for profit for its share holders which goes against the ethos of our club and would potentially breach our £1M Facility grant conditions

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Benefits to become a CIO

- ✓ Would provide a recognised structure to match a club of our size and become a legal entity.
- ✓ We would become a more professional and reputable organization which would attract funding from grants and donors.
- ✓ Liabilities for trustees and members would be limited and would fall under under the organization and not individuals.
- ✓ Would provide a more stable platform to improve the members experiences.
- ✓ We would report directly into the Charities Commission.

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Challenges to become a CIO

- ❖ We would lose our CASC (Community Amateur Sports Club) However we will retain many benefits from CASC going forward under a CIO.
- ❖ Accounts do not get registered with companies house but do with the Charities Commission. Note; our accounts are annually audited.
- ❖ Secured borrowing would be a challenge, as the Charities Commission do not hold a registered record of assets. In mitigation our accounts are audited with assets visible.

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Next steps

- If the CIO is accepted?
 - Notification of intention needs to be made to the FA
 - Apply online to be CIO
 - AGM would be required to change our constitution
 - Formation of new legal structure
 - Communication to the membership
- The following appendices provides more detailed overview of the +/-

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Thanks for listening

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ASPECT	CIO	COMPANY	TRUST
Personal Liability	Trustees/Directors are protected from personal liability to 3 rd parties (unless entered into personal capacity contracts etc.) Still potentially liable for breach of trust	Trustees/Directors are protected from personal liability to 3 rd parties (unless entered into personal capacity contracts etc.) Still potentially liable for breach of trust	Trustees have potential liabilities to third parties and breach of trust.
Legal Title to Property	In name of charity – unaffected by change of trustees (avoids costs)	In name of charity – unaffected by change of trustees (avoids costs)	Name of Trustees – cost in transferring title each time trustee changes
Formality	Simpler to operate	Companies Act requirements...	Simpler to operate
Accounting Requirements	Slightly less onerous. When income exceeds £250,000 pa, the requirements are virtually equivalent.	Slightly more onerous and complicated, especially at income below £250,000 pa.	Slightly less onerous. When income exceeds £250,000 pa, the requirements are virtually equivalent.
Charity Commission Registration	Required for all CIOs, whatever the income.	Only available/required if income exceeds £5,000 pa.	Only available/required if income exceeds £5,000 pa.

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