

Club Structures WebEx





Welcome & Thank You

**Club Structures WebEx
Monday 25th Feb 2019**

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OUR VISION...

Leagues & Clubs which are safe, fun
and inclusive For ALL

Mission Statement

*Provide modern, fit-for-purpose league and club structures
and services, which will grow and retain participants,
support the workforce and raise standards across the game*



FA Charter Standard

For Growth

For Inclusion

For Diversity

For Safeguarding

For Sustainability

For Community

For Change....2020/21



HUTTON FOOTBALL CLUB – STRUCTURE

WHERE DID IT ALL BEGIN ?



- Protecting Club Officers
- Potential new ground
- Governance
- FA & Sport England presentations



WHICH ROUTE ?

- Company limited by Guarantee or Charity ?
- We chose Charitable Incorporated Organisation

Pros

- Limited Liability
- Tax advantages
- Funding for Charities

Cons

- Submission of accounts etc to Charities Commission



Hutton Football Club; Current Structure



What next ?

Club structure still evolving:

- Election of Trustees & Directors
- Membership rules
- How we run the Club now



Club Structures Options: A Brief Overview

John Devine; Muckle LLP



3 Areas of Focus

- Traditional unincorporated association
 - When can it still be fit for purpose?
- Company limited by guarantee
 - Traditional incorporated vehicle for community clubs
- Special tax status
 - Charity or Community Amateur Sports Club (CASC)



Unincorporated Associations - the majority of football clubs

- Operated for the benefit of its members
- An organisation of two or more persons who are members of the association who agree to cooperate in furthering a common purpose
- No principal regulator / No separate legal personality / Managed by Committee
- Governed by Constitution (and/or set of Rules and Bye Laws)
- Liability for individual members of Management Committee is unlimited joint & several
- Each ordinary member's personal liability will usually be limited to the extent of their subscription fee



Which clubs could still adopt it?

- Suitable for small members' or amateur club
 - no significant assets or interest(s) in property
 - does not employ staff
 - does not enter in to contracts or other arrangements involving risk
- Succession Planning
- Consider size of undertaking
 - number of teams you operate



Questions for your Club; Now and in the Future?

- Does your club employ staff?
- Does your club own or lease property?
- Does your club enter into contracts or arrangements involving risk?
- Is your club considering the future development of its facilities?



Incorporated Football Club – Company Limited by Guarantee

- Separate legal personality
- Limited liability
- Regulated by Registrar of Companies
- Permanence
- Governing document
 - Memorandum and Articles of Association (Section 28 Companies Act 2006)
 - Asset lock
 - Specific objects



Incorporated Club Officers

- Directors = Trustees
 - Indemnity in articles do not assume blanket immunity; wrongful or fraudulent trading
- Legal members
 - Limited liability (e.g. £1 or £10) / cannot participate in assets on winding up
- Company secretary
- Role of the Board
 - Strategic policy / Decision making & management
 - Companies Act 2006 / Charities Act 2011
- Decisions reserved to legal members
 - Change Articles of Association / change voting rights / change name



Other Incorporation Alternatives are available...

- Company limited by shares
 - Governance similar to Company Limited by Guarantee
 - General 'commercial company' objects
 - Trades with a view to profit
 - Shareholders' liability limited to amount paid up on share capital
 - Shareholders' rights
 - Vote / receive a dividend / participate in the assets on winding up



Club Structures; Legal Structure / Leaflet Available

Unincorporated Association	Limited Company	Charity
Legal Status		
Unincorporated members' club operated for the benefit of its members.	Company limited by guarantee (if operating as a 'not for profit' community club) or shares if commercial purposes and intended to be profit-making.	May be structured as an: (i) unincorporated association; (ii) charitable trust; (iii) limited company; (iv) charitable incorporated association (CIO).
An organisation of two or more persons who are members of the association who agree to cooperate in furthering a common purpose.	Normally non-profit making functions, with no share capital and members rather than shareholders.	Non-profit making. Surpluses generated are applied in furtherance of the wholly and exclusively charitable objects.
No principal regulator.	Registered at Companies House and regulated by Registrar of Companies.	Registered with and regulated by Charity Commission for England and Wales.
Managed by Committee of Management.	Managed by Board of Directors.	Managed by board of Trustees.
Governed by Constitution (and/or set of Rules).	Governed by Memorandum and Articles of Association.	Governed by: (i) Constitution, if it is an unincorporated association; (ii) Trust Deed, if it is a charitable trust; or (iii) Memorandum and Articles of Association, if it is a company. (iv) Constitution, if it is a CIO (either the 'Foundation' model where it is trustee controlled, or the 'Association' model where it is membership controlled).



Many Clubs can look to Adopt a Special Tax Status

- Consider Charity
 - registered voluntarily with Charity Commission
 - registered with HMRC for Gift Aid and tax purposes
- Consider Community Amateur Sports Club (CASC)
 - registered with HMRC



A Combination of Incorporation & Charity

- Charitable incorporated organisations
 - Foundation model
 - Trustee control
 - Association model
 - 'one member one vote'
- Regulated by Charity Commission only
- Income test
 - No need to meet £5,000 minimum income threshold on registration (required for Company Limited by Guarantee)



Charitable Incorporated Organisation; Hutton FC

- Timing
 - CIO will not exist in law until registered by the Commission
- De-registration
- Lack of public information
 - Only filed accounts and registration details will be available publicly
- Comparative familiarity
- Limited scope of activities



Benefits of Charitable Status

- Public perception
- Tax effective contributions
 - Gift Aid Scheme – both individual and corporate
 - Legacies
- Rate Relief (80% mandatory discount)
- Accessibility to grant funding
- Working with Commercial Partners
 - sponsorship or corporate Gift Aid?
- VAT reliefs



Benefits of CASC Status

- *‘Charity-lite’*
- Tax effective contributions
 - Gift Aid Scheme – both individual and corporate
- Rate Relief
 - 80% mandatory discount
- Accessibility to grant funding



Gift Aid scheme

- No minimum limit
- Free of
 - inheritance tax (IHT)
 - capital gains tax (CGT)
 - income tax
- Individual donors must
 - be UK taxpayers AND
 - from 6 April 2012 pay an equivalent amount of tax in the same year in which donation is made

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Gift Aid scheme

- Corporate donations
 - paid gross of tax
 - deductible from taxable profits
 - Corporation Tax (CT) relief
- Individual donations
 - basic rate income tax (20%) reclaimed by charity (i.e. an extra 25p per £1 donation)



Membership Fees

- To qualify for Gift Aid, subscription payments must be for membership only
 - Must not give members personal use of the charity's facilities or services
- CASCs can't claim Gift Aid on membership
 - Why? Members are given personal access to the club's facilities or services
- Gift Aid cannot be claimed on a subscription payment paid on behalf of someone else
 - considered a gift to the person whose membership is paid, not to the charity



Trading Company as with Hutton FC

- Separates commercial trading income from core parent Charity / CASC income
- Ring-fences Charity/CASC's assets from risk
- Relatively easy and quick to incorporate
- Sport England model
 - <https://www.sportenglandclubmatters.com/club-planning/club-structure/casc/>



Questions? Raise your hand



Free Legal Health Check – Muckle LLP

Preparing your club for the future:

- Club Structure & tax status
- Governing Documents e.g. constitution
- Compliance with any regulators
- Property interests, security of tenure
- Employment
- Data Protection and Data Security
- Business Risks
- Any other legal topic

Club Consultation with legal expert

Call **0191 2117799** to arrange a consultation

CSlegalhelp@TheFA.com

Consultation to last 45mins to 1 hour

During office time or up to 7pm

Can be an individual or group conference call

Report created for the club



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Thank You



Club Structures WebEx
Monday 25th Feb 2019

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FOR over 150 years, we've said we're for the success of football irrespective of class or creed. And we'd like to update that by adding: regardless of gender, sexuality, ethnicity, ability or disability too. Football is a game for all. No matter how good you are. Or aren't. The FA has created leagues for the blind, deaf, amputees, wheelchair users and for those of us with cerebral palsy. We've made all the latest coaching ideas available online. We've introduced FA Girls' Football Week and created a competition open to everyone in the country. It's called The FA People's Cup because it's for the people. All of the people. We are building 100 3G pitches around the country. And on our website you can find the nearest team or pitch to you. So, if you want to take part, The FA can help you. Because, how can we be guardians of the national game, if we exclude anyone? The FA. Not just for the few. We are for

ALL

