

Call for Members EGM on Tuesday 16th April at 8pm

The management committee is calling for the members to approve a change of status for the Club.

Why are we restructuring Broxbourne Sports Club?

There are 2 main reasons:

1. The Club is currently designated as a (Community Amateur Sports Club (CASC) which is an unincorporated association and is not legally entitled to own title to the land. Since 1926 the land has been held by a custodian trustee – initially Barclays Bank and in recent years by a company called Zedra (this company bought out Barclays Trust in 2016). The Club received notification from Zedra several years ago that they wish to retire as custodian trustee. So, the management committee were advised that we need to form a structure that would enable the club to own its own land.
2. There are strict tax rules governing the operation of a CASC. There is a limit of £100,000 in terms of the amount of income that can be earned from non-members. As the club has grown, we have now reached that limit. We estimate that in the last 2 years the non-member spend has been around £120k, based on an assumption that members purchases account for 90% of bar turnover. This is therefore above the HMRC limit of £100k.

What will be the new structure of the Club?

The management committee sought advice from our accountants and specialist consultants about which structure would best meet the Club's needs.

We have set up Broxbourne Sports Club as a Company Limited by Guarantee and successfully registered this as a charity.

As a Company Limited by Guarantee there are no shareholders – the company is owned by the guarantors. In our case these are the Club's members. The Articles of Association state that the maximum liability for each member is just £1.

By registering as a charity, it means that the Club is not liable for corporation tax on our charitable income, and it will also put us in a more advantageous position to bring in funding.

The club's new Articles of Association state that the charitable company's sole object is:

“To promote community participation in healthy recreation for the benefit of the inhabitants of Broxbourne and the surrounding areas by the provision of facilities for playing sports capable of promoting physical health.”

This structure is acceptable to Zedra as it means that it protects the use of the land for being used or developed for other purposes. It is also in line with the desires of the original benefactors who donated the land to the Club in the 1920's.

The Club has also registered a trading company Broxbourne SC Ltd. This will run the bar and the other non-charitable activities of the club e.g. Non-sporting events. The CLG is the sole shareholder in the trading company and all profits will be reinvested in the charity.

There are currently four directors of the CLG and the trading company, who are also trustees of the charity - Gary Scanlon, Sarah Elliott, Ian Bailey and Geoff Cox.

What do these changes mean for members?

Members should see very limited change when we migrate to the new structure. The members continue to own the Club and will be protected in terms of liability. All activities of the Club will continue – though there will be some changes in the way we report our accounts.

The new structure of the club will put us in a better position to attract funding, and give us greater flexibility in future development, whilst protecting the land from damaging exploitation.

The Articles of Association for the CLG/charity and the current rules of the CASC are available for members to view on the webpage.

The EGM Resolution

1. The management committee proposes that Broxbourne Sports Club (an unincorporated association registered as a Community Amateur Sports Club (CASC)) is wound up.
2. Broxbourne Sports Club has been registered as a Company Limited by Guarantee (CLG number 13966510) which has registered as a charity (number 1204703). Members are asked to adopt the Articles of Association of the CLG.
3. All the assets and liabilities of Broxbourne Sports Club (CASC) will be transferred to Broxbourne Sports Club the CLG.
4. The ownership of the land, currently held by the custodian trustee Zedra, will be transferred to Broxbourne Sports Club CLG.

The date of the proposed transfers will be confirmed in due course.