

## TMSC OPEN FORUM: AIMS - NOVEMBER 2016

Future club development has a number of strategic aims which to various degrees are inter-dependent. This paper considers the following aspects which enable development to begin.

- 1) Organisation Strategy
- 2) Facilities Development Strategy
- 3) Activities Strategy
- 4) Membership Development Strategy

- 1) Organisation Strategy aims to
  - Qualify the liabilities of Trustees
  - Obtain the best financial structure
  - Open up access to sources of funding
  - Strengthen the future of the club

### Current Status:

TMSC is an unincorporated society/members club with assets and liabilities in the ownership of the trustees. The club has indemnity insurance against normal commercial liabilities.

During 2013-2014 changes were made to the constitution to further limit liabilities of officers and trustees following the Community Amateur Sports Club model.

CASC initiative proven to be unacceptable due to HMRC changes made in July 2015 but established the concept of charitable status.

Management Committee authorised further investigation.

Free advice taken from RYA, Business First, two firms Solicitors and present and proposed firms of Accountants.

At this date there is a high degree of confidence in what may be achieved through re-structuring which points to incorporation as a company limited by guarantee and/or registration with the Charity Commissioners.

Options include remaining as we are, registration as an unincorporated charity, becoming a Charitable Incorporated Organisation, becoming a Company Limited by Guarantee and further registration as an incorporated charity.

All advice received points to TMSC becoming a company limited by guarantee in the immediate term to be followed by seeking charitable status. There are possible advantages in moving to charitable status early and our advisors are investigating the implications.

### What does incorporation mean?

Incorporation means forming a company which becomes a legal entity in its own right – effectively a “legal person”. This enables the company to enter into contracts, to employ people, to agree trading terms and loans to own assets and most importantly limits liability.

As a company limited by guarantee, there is no share capital and no shareholders but rather members who act as guarantors. The guarantors give an undertaking to contribute a nominal amount (typically very small, say £1.00) in the event of the winding up of the company.

The company has specific constitutional documents called memorandum and articles of association covering this and the way company operates. This is similar to the club's existing rules and bye-laws.

Incorporation also means that the club's tax position becomes determined under established rules. There being certain further advantageous rules for companies with charitable status.

A two-step development is possible. The following table summarises advantages and disadvantages, and highlights issues arising:

#### Incorporation as a company only

Advantages:

- Limited liability secured for trustees
- Basis of taxation clarified
- Ability to contract in own right
- Borrowings not a trustee liability
- Private membership/mutuality status retained

Disadvantages:

- Annual accounts and annual returns to Companies House
- Only commercial funding likely
- Some specific accounting requirements
- Mutuality conflict with basis of Sports England Grant

Issues:

- TUPE transfer of employees
- Preferred Creditor status required for grant funding
- Stamp Duty Land Tax exemption required

#### Further registration – Charitable Status

Advantages:

- Wider public recognition
- Easier access to charitable foundation funding
- Involving the public leading to expanding membership
- Gift Aid on donations
- Minimises taxation liabilities
- Mandatory business rates relief

Disadvantages:

- Extra layer of reporting to Charity Commissioners
- Probably necessary to have a separate company for bar
- Charitable pursuits to be open to the public
- Compliance with charity guidelines

- Trustees to oversee charitable objectives

Issues:

- Members interests in charitable objectives and /or social objectives may require clarification

The next step, following the appointment of a new club solicitor and a new club accountant is to continue the feasibility study to produce a timeline and series of motions to put before members at an Extra-ordinary General Meeting within the next few months.

2) Facilities Development Strategy

The club development strategy is unchanged.

Current status:

Ideas produced for the extension of the yard with associated land reclamation remain a priority.

Ideas produced for future club building enhancement are a longer term issue.

Development aims:

The pre-requisite has been to secure a long terms lease on the fore-shore. During 2015 and 2016 negotiations have been continuing with Antony Estates and are moving towards a conclusion.

The changes to organisation can be aligned to provide the structure necessary for this development.

3) Activities Development Strategy

Current status:

The expansion of water-sports activities has seen the addition of windsurfing alongside sailing as the principal activities of the club. Investment in training and additional volunteer support has seen a reduction in waiting lists, but further expansion is limited.

The introduction of the rowing section has been a success with a core of dedicated rowers. There are plans to grow and good engagement in the community.

Both Divers and Kayakers remain as specialist areas of activity and currently operate independently.

Development aims:

RYA Inspection 2016.

The following actions have to be implemented:

- Certificates for powerboat trainers to be evidenced
- Club Standard Operating Procedures for sailing and windsurfing to be consolidated
- Safeguarding Procedures to be updated to RYA 2016 policy

RYA dinghy training capability needs to be maintained and expanded.

- Following instructor training in 2014, two instructors have been engaged in cadet training for the two years necessary to progress to Senior Instructor

qualification. Courses are planned for early 2017. The club has had to pay for SI services for Friday sessions over the last two years.

- The RYA promotes Social Sailing groups / Ladies groups / Have-a-Go Sessions. The club should develop non-competitive sailing through Saturday sessions.
- Continuity of qualified instructors needs to be planned.
- Community development has begun with a course run for Torpoint Community College. Plymouth University participate with the windsurfers. Contact has also been made with Looe Scouts. A planning session is required to develop plans and co-ordinate these contacts.

Club dinghy fleet to be maintained and expanded in the light of demand.

RYA Day Skipper training has been facilitated with contacts established with MOD, Jupiter Point. Formal course planning to commence for 2017.

Windsurfers continue to maintain active programme

Rowing qualifications to be achieved and contacts with regional and national governing bodies progressed as necessary. Fund raising towards full sized gig progressing.

BCU qualification to be encouraged. It would be an advantage for the club to attract more members by providing a structured programme of training.

Divers aims to be clarified.

Issues:

- Payment for instructor services
- RYA small grant funding proposals for dinghy fleet expansion

#### 4) Membership Development Strategy

Current status:

Long standing and established methods

Poor administrative systems

Limited Communication

Development aims:

- Charitable Objectives to be determined – Working Party required
- Mutuality considerations to be codified – Working party required
- Trustees and Directors roles to be determined – Working Party required
- Membership database – Working Party required
- Web-site management – Working Party required
- Community partnerships to be created – Working Party required

Issues:

- Consider paid administrator