



# SPECIAL RESOLUTION

## Change of Name, Legal Structure & Constitution

**SPECIAL RESOLUTION** – Livingston & District AAC, hereinafter referred to as the 'Club', to change its legal structure from an Unincorporated Association to a Scottish Charitable Incorporated Organisation (SCIO), to adopt a new constitution appropriate for this structure and to formally change the club name to "Livingston Athletic Club".

Dear Member,

As per the requirements of the constitution of the Club – Clause 6, General Meetings, and Clause 12, Amendments to the Constitution - the Management Committee of the Club voted to call an EGM for the purpose of a membership vote on the above Special Resolution.

The EGM will take place on Wednesday 12<sup>th</sup> August 2015 at 9.00 PM at Craigswood Sports Centre, Livingston.

We the Management Committee would like you to vote in favour of the above resolution.

### Rationale

This information brief seeks to clarify for the Management Committee and Membership of the Club, the need and rationale for change.

### The Status Quo

The position of the Club in its current form presents a number of risks both for the Members and particularly the Management Committee.

Firstly as an Unincorporated Association the Club has no legal personality as an entity which means those on the Management Committee undertake transactions, enter into contracts/agreements on the organisations behalf and bear liability if/when things go wrong.

One example of this might be a personal injury lawsuit, the suit would be filed against the Committee Members rather than the Club.

The current constitution mixes objectives and powers which is not ideal in terms of interpretation. A SCIO has its own set of minimum standards and the Club's current constitution would not be sufficient to make the proposed transition.

### What were the options?

**Community Amateur Sports Club (CASC)** – Does not solve the liability issue. Currently there is no provision in the legislation for a club to de-register so effectively once you are in, you are in for good. Limited benefits, and caps on benefits linked to turnover. Governed by HMRC.



It has been suggested to us that there are no benefits the Club could derive from being a CASC that you could not obtain from being a Company Limited by Guarantee and a Charity or a SCIO.

**Company Limited by Guarantee (CLG)** – Gives the Club legal personality. No exemptions from rates, can limit liability of Directors, but there is no benefit in setting up a Company Limited by Guarantee unless there is an intention to trade out with Charitable Purposes. This is not the case. There is a cost implication with CLG as they have to have an accountant sign off the accounts for Companies House purposes.

**Charitable Status and Company Limited by Guarantee – As above.** There is no intention or desire to trade.

**Scottish Charitable Incorporated Organisation (SCIO)** – This is the preferred option of the Management Committee. This gives the Club legal personality out with the traditional Company structure. This means the Club can undertake transactions, enter into contracts/agreements, own land and buildings and to sue or be sued as an entity rather than individuals on behalf of the Club.

The Club would gain charitable status and access to Gift Aid and the credibility of the club would be enhanced through compliance with OSCR as the regulatory body.

Once the Club becomes a SCIO it is a permanent move and the Management Committee (Trustees) are bound by the legal and legislative duties bestowed upon them by the Charity Trustee and Investments (Scotland) Act 2005 and subsequent amendments.

The current constitution requires that a majority of those present and eligible to vote are in favour of the above resolution. For the avoidance of doubt, the reference to a majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

For such an important resolution your participation is very important and we would request that you attend Craigswood Sports Centre, Livingston, on Wednesday 12<sup>th</sup> August 2015 at 9.00 PM.

Opportunities to discuss or clarify the arrangements surrounding the resolution will be given ahead of the formal vote.

With Thanks,

Signed: *Alistair Dalgleish*  
Position: Chairperson  
Date: 25/07/2015