

PENTLAND CANOE CLUB

Minutes of the Extraordinary General Meeting (EGM) held on 25 April 2023 by video conference.

Present:

Gary Youngson	Ken Nicol	Ben MacGregor
Gary Stronach	David Shand	Mike Grain
Emma Summers	Silvia Bonati	

1. Apologies

Apologies were received from: Nancy Speirs; Ian Borland
Brian Arrowsmith; Emily Kearl; John Speirs, Tracy Mackay; Neil Parkin;
Ishbel Ford; Gerald Urquhart; Joanna Mackinnon; Chris Parkinson;
Christine Deighan

It was noted that Electronic votes had been received from all of those listed above.

2. Chair's Opening Remarks

G Youngson welcomed everyone to the meeting.

He introduced the EGM which had been called by the Committee to discuss one agenda - to consider a recommendation for the Club to progress becoming a Scottish Charitable Incorporated Organisation (SCIO). He noted that all current members had been given the opportunity to vote.

3. Scottish Charitable Incorporated Organisation (SCIO)

In introducing the agenda item, Ken Nicol stated that a question had been raised at the 2022 AGM concerning liability and insurance. This brought to the attention of the Committee that as an

Unincorporated Association, all members may be jointly liable in the event of a fine being issued to the PCC.

Thanks were recorded to Silvia Bonati who had researched and prepared a paper proposing to register the Pentland Canoe Club as a Scottish Charitable Incorporated Organisation (SCIO). In preparing the paper, she had spoken to the Scottish Canoe Association and also established that around 20% of the Clubs in Scotland had become SCIOs. The paper had been presented to and agreed with the Committee.

KN explained that a Scottish Charitable Incorporated Organisation is a legal form unique to Scottish charities and is able to enter into contracts, employ staff, incur debts, own property, sue and be sued. It also provides a high degree of protection against liability. As this proposal was a major change to the Club's governing structure, this required the members agreement through this meeting.

The paper on the proposal had been circulated to the current 2023 members in advance of the meeting. [A copy is given in Appendix 1].

Ken Nicol explained there were a number of advantages including:

- the club will be liable in case of any fine or other disputes, not the members.
- Access charity only funding.
- Potential to claim gift aid on membership fees.

However there were also some disadvantages mainly related to the governance and administration of the Club. These were considered by the Committee relatively minor and outweighed by the advantages.

The paper also looked at the implications relating to resources; legal; governance risk and financial.

The Chair opened the meeting to questions and discussion on the proposal.

- Following a question from Mike Grain, the meeting was informed that the Club should meet the requirements to become a SCIO as in Scotland the advancement of sport was seen as a charitable activity. Mike Grain thanked the Committee for the work to date on this.
- David Shand stated that having potential access to other funding streams could be seen as a positive for the Club.
- Ben MacGregor asked if the financial reporting would be onerous. Gary Stronach advised that based on his experience from other SCIOs, he did not believe this to be very onerous. Most data would be taken from the current club accounts and submitted, via a template, to the regulatory body.
- Gary Youngson noted that Trustees would need to appoint Trustees. Silvia Bonati stated that as part of the next stage, a legal structure would need to be identified. The simplest structure being a single tier with all Committee members being a Trustee. There was a requirement for a minimum of 3 Trustees.

There being no further questions, the Chair invited individuals to vote on the proposal. Silvia Bonati stated that as she had submitted an electronic vote as she had not expected to be able to attend the meeting. Consequently, she would not therefore vote. The secretary confirmed that she was the only individual present at the meeting who had submitted an electronic vote.

The following votes were recorded for the recommendation “that the Pentland Canoe Club membership approve the Club progressing to become a Scottish Charitable Incorporated Organisation (SCIO).”

	In Person	Electronic ¹	Total
For	7	14	21
Against	0	0	0
Abstentions	0	0	0
Total	7	14	21

Based on the voting, the recommendation to progress the Club becoming a SCIO was unanimously approved.

[Secretary’s Note: 52% of the eligible voting membership submitted a vote.]

Following a question, the meeting was informed that the next stage of the process was to prepare the relevant documentation, including reviewing and revising the Club Constitution. This may require further meetings of the membership to approve these.

4. Chair’s Closing Remarks

The Chair thanked Silvia Bonati for her work to date on this and looked forward to the next stage of the process.

Finally he thanked those for attending the meeting.

¹ Individuals who had submitted electronic votes had been verified as 2023 members by the Club Secretary

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Proposed Revision to Pentland Canoe Club Legal Form

PROPOSAL

Register the Pentland Canoe Club as a Scottish Charitable Incorporated Organisation (SCIO)

REASON

During the 2022 AGM, it was brought to the attention of the Pentland Canoe Club (PCC) Committee that as an Unincorporated Association, all members may be jointly liable in the event of a fine being issued to the PCC. This is because:

- Unincorporated Associations are not legal entities and as such cannot be fined.
- Fines are not insurable hence are not covered by the SCA insurance.

Given the growing number of lawsuits for damages affecting voluntary associations and the increasingly complex set of regulations the PCC needs to abide by the Committee has been reviewing which options are available to limit the personal liability of club members.

PROPOSED CHANGES

Register the Pentland Canoe Club as a Scottish Charitable Incorporated Organisation (SCIO) with the charitable purpose of "the advancement of public participation in sport".

The Committee understands that around 18% of SCA Clubs have registered as a SCIO.

Advantages of Proposal

- Limited liability - The PCC would become a legal entity. Consequently the club will be liable in case of any fine or other disputes, not the members.
- Additional funding:
 - o Charities can claim Gift Aid. This is a potential additional income of 25% of membership and donation amounts. Based on the 2022 Membership income, this could raise an additional £610 per year.
 - o Access to charity only funding

Disadvantages of Proposal

- Added administrations to ensure the charity is run lawfully and in the public interest. The main added requirements are:
 - o Accounts must be produced in a specific structure and uploaded yearly to the OSCAR (Scottish Charity Regulators)
 - o Yearly independent audit
 - o At least two charity trustees must be elected. Their details remain on record at the OSCAR for 6 years.
 - o Additional policies and procedures to ensure the transparency of the charity governance.

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IMPLICATIONS

Resource Implications: There are additional minor resource implications. This is mainly:

- through financial compliance of being a Charity. These relate mainly to financial auditing reporting to the OSCR.

Legal Implications: Once established there are new legal implications arising from this recommendation. These relate to

- Appointment of Trustees
- Financial reporting
- Dissolution

Governance Implications: There are Governance implications arising from this proposal: These being:

- Revision to the Clubs Constitution to ensure compliance with the OSCR requirements.
- The appointment of Trustees
- Comprehensive set of policies to ensure the charity operates in the public interest (e.g. Conflict of Interest policy) with a robust documentation of decisions.

Risk Implications: There are minor risk implications arising from this proposal. The key risk being:

- Individuals unwilling to be appointed as Trustees.

Financial Implications: There are no negative financial implications arising from this proposal.

RECOMMENDATION

The Club Committee recommends that the Pentland Canoe Club membership approve the Club progressing to become a Scottish Charitable Incorporated Organisation (SCIO)