



LEGAL STRUCTURE OPTIONS

Presented to the MIRC AGM December 2025

Like most sports clubs, MIRC was formed, and continues to run, as a group of individuals bound together by a Club constitution. This is known as an unincorporated association. This is the most common type of structure for an amateur club, largely because it is the easiest, cheapest and most informal way of forming a club. The Club is registered with the Community Amateur Sports Club (CASC) scheme, which means we receive certain 'charity type' tax reliefs including a reduction on our council tax.

Why do we need to change?

It is the committee's view that we need to review our position for a number of reasons:

- When applying for grants charitable status will be a positive factor and donors often require organisations to be incorporated in some way.
- We own a sizeable number of assets in terms of boats and other equipment.
- We have a substantial membership base of over 150 members.
- We cannot enter into contracts in the Club's name, which potentially exposes individual members of the committee and/or all members of the Club to liability. Incorporation will limit (effectively remove) an individual's liability.
- We are currently unable to hold the lease for the land and buildings with the MOD in the club's name. The lease has to be held by separate trustees. Incorporation would mean the club can hold the lease in its own right and potentially look to obtain the land outright at some point.

There are a number of options available for incorporating, some of them are listed below:

- Company limited by shares (with or without CASC or charitable status)
- Company limited by guarantee (with or without CASC or charitable status)
- Community Interest Company (CIC)
- Community Benefit Society
- Charitable Incorporated Organisation (CIO)

We have spoken to a number of advisers and other clubs to explore the benefits and disadvantages of each of these options. We believe that a Charitable Incorporated Organisation (CIO) is the best option for MIRC.

A significant number of other clubs have already set themselves up as CIOs. These include Gravesend RC, London Otters RC, and Spitfire BC to name just a few of the local ones.

The CIO is designed principally for small or medium-sized charities or organisations with a charitable purpose, particularly those which were previously constituted as unincorporated associations (like us), which now wish to have the benefit of a separate legal personality and limited liability, and take advantage of a charity's tax reliefs and other financial benefits such as grants and discounts. A CIO is registered with the Charities Commission but not with Companies House, so it allows a flexible corporate structure and requires only one set of reporting. It is a relatively new legal form for a charity and gives the benefits of incorporation with all the benefits and status of a charity.

CIO's have to appoint trustees to oversee the organization to ensure that it is complying with its charitable objectives and follows the requirements of the Charities Commission by submitting an annual report. The duties and responsibilities of trustees are set out in the CIO's constitution. The draft of a constitution for MIRC is almost finalised and will be circulated in good time for consideration at the AGM. It is anticipated that the trustees for MIRC will be the persons elected to be the principal officers of the club at the AGM every December.

There are, of course, other considerations involved if we choose to become a CIO. Some of those already exist because we are a CASC (for example, if the Club were to dissolve, there are rules to be followed about how we would distribute assets), and others would be new given our formal status as a charity (such as formal restrictions on some spending and activity types, and a prohibition on ceasing to be a charity).

However, we believe that these considerations are outweighed by the benefits of becoming a CIO, given the Club's size and future direction. If you have any questions, please feel free to raise with Harry Salmon to enquiries@maidstoneinvicta.co.uk

Process

Setting up the CIO requires a new constitution. The Charities Commission publish a standard constitution which we need to adhere to as closely as possible. We are drafting one using as our guide constitutions provided to us by other rowing clubs which have already gone down this route.

Since the new constitution does not contain some of the necessary detail in our existing constitution regarding the day-to-day administration of the club this will be incorporated into a new set of Club Byelaws. The Club Rules will remain the same.

Timeline

It is intended that the proposal to change the status of the club to a CIO will be put to the club AGM in December 2025.

A Motion will ask for approval by members to apply to the Charities Commission to set up the new incorporated structure and of the new draft MIRC constitution which will form part of the application.

It is anticipated that the application will take at least 2/3 months to be approved.

Once the new company is in existence then an Extraordinary General Meeting (an EGM) of the current club will be called to formally agree to transfer all the assets of the club to the new entity and to wind up the existing club.