

Notes on Proposed AofA Clause 5 - Winding Up

The current plans are for an Open Meeting to be held in March, aimed at addressing the main issues to those Members who have not participated so far, but open to all interested Members, and then holding an EGM to vote Yes/No on the new AofA to be proposed by the Board.

The main area of contention now appears to be the "winding-up" issue - i.e. whether to continue to include the net assets 'distribution to members' option or switch to the 'donation to charity' option.

The Board favour the postponement of a decision on which of the options to adopt until after the planned Open Meeting, when feedback on the matter will be invited from the meeting participants.

The main arguments against clause 5 in the proposed new AoA (which provides for the benefit arising from the disposal of the clubs assets on winding up to be distributed to members) can be summarised as follows:

- It is against the spirit of the original donation which expressly states that members should not benefit from the disposal of the club's assets.
- It would embed an opportunity in the AoA which could be exploited by a future board to wind up the club when difficulties arise rather than work to save it.
- If future members cannot operate the club successfully they certainly do not deserve to benefit from its disposal.

The arguments in favour of clause 5 in the proposed new AoA can be summarised as follows:

- The Directors sought the approval of the founder member who is still an ASRC Member before suggesting the clause.
- It gives each individual Member the choice on whether to donate the proceeds to a charity, and if so, to the one of their specific choice.
- The new AofA safeguards against the sale of any part of the land/buildings - therefore the winding-up would only ever happen if approved by the Members (75% majority vote).
- If the asset was passed to a similar organisation, as in the original AofA, there is a danger of the 'Parsons Mead scenario', whereby members of another Club would be the beneficiaries, not ASRC members.
- The distribution method in the proposed AofA is that favoured by a majority of Members in the Open Survey.
