

## ASRC Ltd ARTICLES : ISSUES & PROPOSED CHANGES (as of 8/11/16)

	ISSUE	CHANGED ?	OLD	NEW	NOTES	REFERENCES*
1	Membership	Yes	Automatic membership of Company for member of Club (if aged >21 years).	Normally as before, but Directors have right to not accept individual Members, subject to strict safeguards against abuse of this right. Minimum age is 18 years.	We advised Solicitors that "we want the membership to be controlled by the Club i.e. the licensee, and not the company", but legal advice is : "The "members" in a company limited by guarantee (like yours) are the equivalent of shareholders in a company limited by shares. The Articles represent the contract between the Company and its members, and it is not possible to have this controlled by a third party (such as the Club)". The Ltd Co must maintain a Register of Members of the Company (separate from other bodies' records (e.g. the Club membership list)). Also, there is potential in future for Club to grant membership to certain occasional users (e.g. Dance studio), but not wish them to be members of Co. [see also membership categories for winding-up]	M of A (page 5 Para2) TWM : emails of 31/1/16 + 1/2/16 A of A (Para1.1) A of A (Para16+17) Model (Para 21)
2	Appointment of Directors	No	Directors can appoint additional Directors, subject to any maximum number stated in Articles (no maximum stated in M of A).	Director can be appointed by ordinary resolution or by decision of Directors. Unless determined by ordinary resolution, no maximum number of Directors, but minimum of 2.		Table C #45 Model (Para17) A of A (Para13)
3	Retirement of Directors	???	One-third (or nearest number) of Directors to retire each year (those longest in office since their election), and eligible for immediate re-election unless resolution for their re-election is lost at the AGM.	Not in new A of A or Model	Needs inclusion - suggest we modify A of A to adopt similar to Table C. It is important to achieve a balance between accountability (i.e. the ability for Members to replace Directors) and the stability associated with continuing to safeguard the Club's main asset (land & buildings) - the 'old A of A clause achieves this through a potential one-third of Directors renewal each year.	Table C #39-43
4	Role/Duties of Directors	No	To own + maintain premises for purposes of a squash/ tennis/ social club in Ashtead.	To own + maintain premises for purposes of a squash/ tennis/ social club in Ashtead.	Over past years the role of the Directors in practice has become blurred, and has tended to include the (non) approval of significant financial projects by the Club, even those not related directly to the land/buildings. The new A of A seeks to restate/highlight the originally planned role.	M of A (Para1) A of A (Para2)
5	Worst Case : Winding-Up	Yes	No distribution to Members of net value of assets. Instead, assets to be transferred to similar institution or charity.	Full distribution to Members of net value of assets. Certain classes of members - coaching, corporate, junior, excluded. Distribution to be weighted according to length of membership of Club.	Introduced to avoid the scenario where assets are transferred to another body, only for that body to sell the assets and distribute value among its members (e.g. the case of Parson's Mead school). Exclusion of specific membership types due to consideration of fairness to mainstream Club members.	M of A (Para7) A of A (Para5)
6	CASC	n/a	Not mentioned	Not mentioned	CASC membership for Club secured (2015, backdated to 2013). Ltd Co is a separate legal entity, and owning/managing building/land not in	TWM : email of 26/4/13

					conflict with CASC qualification.	
7	Financial Liability of Members	Yes	If Co is wound-up, maximum liability of each member is capped at £2.	If Co is wound-up, maximum liability of each member is capped at £1.	Represents a nominal sum.	M of A (Para6) A of A (Para6)
8	Quorum of Directors	No	Unless fixed by Directors, quorum is 2	Quorum is 2 eligible Directors		Table C #49 A of A (Para9) Model (Para 11)

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#### References \*

M of A = ASRC Ltd Memorandum & Articles of Association dated 5/3/1966

Table C = Table C in the First Schedule to the Companies Act 1948 (Table C was abolished in 2008 and replaced by Model Art.)

TWM = Independent legal advice from TWM Solicitors

A of A = proposed ASRC Ltd Articles of Association dated October 2016

Model Art. = Model Articles for Private Companies Limited by Guarantee

### ASRC Ltd ARTICLES : FURTHER REVISIONS (as of 14/6/17)

	ISSUE	CHANGED ?	OLD	NEW	NOTES	REFERENCES
9	Membership	Yes		Directors cannot change membership categories without approval of Members.	Introduced to safeguard status of membership for individuals and classes of member.	A of A (Para 20)
10	Remuneration of Directors	Yes		No remuneration can be paid except in certain circumstances.	Introduced to negate any ambiguity over possible payments to Directors.	A of A (Para 16)
11	Retirement of Directors	Yes		see #3 above	Is a re-introduction of system already in place via 'Table C'. Not included in Model Articles so included in AofA.	A of A (Para 14)
12	Number of Directors	Yes		Maximum number set at 6	Introduced to limit potential problems on arranging mutually convenient dates for Board meetings.	A of A (Para 13)
13	Sale of Assets	Yes		Directors cannot sell land/buildings without approval of Members.	Introduced to avoid possible sale of Company assets against wishes of Members.	A of A (Para 19)

SAH 14/06/17