

## **Swim England North West**

### **Governance Guidance – Club Structures and Templates**

Clubs can either be structured as Unincorporated or Incorporated organisations. Many swimming clubs are set up and continue to run as an unincorporated association, bound together by common rules. Becoming incorporated makes the club a separate legal entity which means club members are not personally responsible for its debts.

However, the choice of club structure other than being an unincorporated association is a complex subject and we strongly recommend that if clubs are considering becoming an incorporated or a charitable organisation professional help and advice is sought.

There are a number of different structures to consider:

#### **1. Unincorporated Club or Association**

This model is the simplest and most popular structure for a club as it is not subject to specific laws or regulatory requirements.

An unincorporated association is sometimes called private members' club.

Unincorporated associations are a group of individuals who are bound together by the constitution or rules of the club. This means that the club is not a legal person in its own right, and so any contract of the club must be entered into by someone on behalf of the club. Normally a club has a committee to run the club and it will be a member or members of the committee who will enter into contracts.

[Model Template](#)

[Masters Model Template](#)

#### **2. Registered (Unincorporated) Charity**

Although the majority of affiliated clubs are set up as unincorporated associations, some opt to become a registered charity. To do so an application must be made to the Charity Commission who will continue to regulate the club e.g. the club must submit annual accounts and an annual return to the Commission.

A club will normally have to amend its constitution before it become a charity, as it must have objects which are exclusively charitable in law. It will only be charitable if it promotes amateur sports (and/or other healthy amateur recreations) e.g. by providing facilities, or promotes education or community participation by reference to sport. In all cases the club must exist for the public benefit.

A registered charity may qualify for a number of tax exemptions and relief on income and gains, and profit on some activities. HM Revenue and Customs (HMRC) is responsible for decisions about tax status and should be contacted for detailed information.

[Model Template](#)

### 3. Constituting your Club as an Incorporated Organisation

Becoming an incorporated organisation (a company) is an alternative to constituting as an unincorporated (or members) club.

The law does not recognise an unincorporated association as a separate legal entity distinct from its members and its management committee. An unincorporated association cannot in its own name:

- Enter into contracts
- Sue or be sued
- Take on a lease or own property
- Employ staff

Taking this approach will mean adopting Articles of Association and registering the club with Companies House.

Please [click here](#) for a brief outline of the pros and cons of incorporation.

### 4. Other Incorporated Structures

Most clubs that incorporate do so as companies limited by guarantee, although there are other structures available including:

- Company limited by guarantee with charitable status (this is the structure adopted by Swim England)
- Community Interest Company (CIC) – this is a special form of non-charitable limited company which exists primarily to benefit a community or with a view of pursuing a social purpose rather than to make a profit. Only companies can apply for Community Interest status, i.e. this is not available to unincorporated associations. CIC's have no special tax advantages. They are regulated by the Office of the Regulator of Community Interest Companies.

### 5. Charitable Incorporated Organisation (CIO)

This relatively new legal structure is available for charities that wish to be incorporated; it offers the protection of limited liability status but without the burden of regulation associated with a charitable company. The trustees and members generally have limited or no liability for the charity's debts. A CIO has a legal personality of its own, enabling it to conduct business in its own name, rather than the name of the trustees.

CIO's are regulated by the Charity Commission and they manage the application process. They are not companies and do not have to register with Companies House.

[Model Template](#)

### 6. Community Amateur Sports Club (CASC)

For non-property owning clubs, the key benefit of CASC registration is the ability to claim Gift Aid. To benefit, a club must register with HMRC. The registration process is relatively simple but a club will have to change its constitution and must be run in accordance with the CASC rules and conditions.

Unincorporated members clubs and company clubs can register; CASC registration confers no special legal status which remains unchanged.

A choice must be made between registering as a CASC or a charity. A registered CASC cannot be recognised as a charity of tax purposes. CASCs are not regulated by the Charity Commission.

Model Template – currently in progress.