

Title of Case Study	Halton Table Tennis Club
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Project Title	Becoming a Limited Company

Summary of Case Study

Halton Table Tennis League creating a new club Halton Table Tennis Club and then a not for profit making Limited Company Halton Table Tennis Ltd to cover both organisations and all table tennis developments within Halton.

Why was it needed?

In 1999 the new Lottery Funded Regional Table Tennis Centre was to be opened at Halton Stadium. Halton TT league did a Risk Assessment and decided we needed to do a SWOT analysis to protect the officers and committee members in case anything went wrong on the opening of the facility. It had been built in partnership with Halton Borough Council with Lottery capital funding but there was no revenue funding. The committee were not sure on the up take of usage and funding available. It was the first time they had entered into a contract with Halton Borough Council.

It was decided to proceed with the formation of a Limited Company to protect the officers who then became the Directors of the Company

Aims and Objectives

- **Aims** To find out the process to go through and do a SWOT analysis of the benefits of becoming a Limited Company. Memorandum & Articles of Association were compiled and checked and included a dissolution clause.
- **Objects:** - Companies limited by guarantee often have very specific objects and detailed rules pertaining to which areas they can engage in i.e. in our case table tennis.
- The club must be non-profit making and any surplus profits must be reinvested into the club
- By having a defined set of objects as a company limited by guarantee it can be easier to raise funds as we can demonstrate that sufficient restrictions exist to protect the donor's intentions
- There had to be a dissolution clause stating that, in the event of the club being wound up, any remaining assets will be distributed to either the governing body of the sport or to a local similar club
- The directors are agents of the company and are not personally liable for its debts

Main Outcomes

Halton Table Tennis became a Limited Company an umbrella organisation covering all TT activities under the auspices of Halton TT Club and Halton TT League

Who was involved?

The officers of the Halton Table Tennis League....who became Directors of the Ltd Company
The League Committee who agreed to the formation of the Ltd Company and formation of Halton TT Club
Club accountant in an advisor capacity

How was it Funded?

Out of Halton Table Tennis League Funds

How do you know it was good practice?

A Company Limited by Guarantee is one in which there are no shareholders and any surplus is reinvested in the company. This type is recommended by the Charity Commission

Have you already done any Publicity or Promotion?

As a new Limited Company we were awarded a Halton Business Link Grant to develop our web site which gave us publicity. We have given advice on becoming a Limited Company to other clubs

What Next?

- Keeping a watching brief on new legislation
- Decide if CASC (Community Amateur Sports Club) status should become an appropriate course of action as we don't own our land/building and have few donations that would be of use for gift aid

Concluding Key Point about the Case Study

Company House have strict regulations with financial penalties for filing Annual Reports and Accounts late Directors have to be disciplined and trust their financial adviser

References:

- Runningsports(Sport England supporting clubs and volunteers) taxation sport Quick Guide 2 pdf
- Companies House
Crown Way
Cardiff, CF14 3UZ
Tel: 0870 3333636
www.companieshouse.gov.uk
- HM Revenue and Customs web site hmrc.gov.uk
- CASCs at web site www.cascinfo.co.uk