GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Club Structures Matter:
A Practical Guide for Hockey Clubs

October 2026

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

CONTENTS

- Disclaimer
- Introduction
- Summary overview table (Table 1) of main options compared
- Why bother spending time to understand legal structures?
- Choosing your legal structure
- Profile of an unincorporated club structure
- Structures available for clubs to choose from – incorporated
- Incorporated forms
  - Companies
  - Community interest companies
  - Community benefit societies
  - Charities
- Community Amateur Sports Club Status (CASC)
- Trading subsidiaries
- Changing your legal structure
- Next steps

Appendices

- Regulatory bodies
- Governance

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Disclaimer

This guide, commissioned by England Hockey and Sporting Assets, was drafted by Adrian Ashton – a consultant who has been supporting the wider social enterprise and community business sector for three decades. He has worked with all the regulatory bodies referred to in this guide and is a recognised authority on social enterprise governance and legal forms by various sector bodies and universities.

However, any information pertaining to the law, legislation, and regulation herein is provided in good faith and for information purposes only. You should always seek professional advice or consult with relevant bodies to discuss legal positions and implications as it relates to you and your enterprise before deciding upon a course of action with regards to the legal structure and form for your enterprise. Such bodies will include: Companies House, the Community Interest Company Regulator, the Financial Conduct Authority, the Charity Commission and HMRC. This is because you will be liable and responsible for the legal form you choose to adopt.

The information supplied was checked in August 2026 and may be subject to change, especially with regards to any specific legislative and/or monetary values, so you are advised to check for updates.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Introduction

Most people involved in community sports organisation do not do it for the administration, they do it to be actively involved in the sporting or social side of the club. However, regardless of how a club is structured or registered, there is a need for some formality to ensure it can be run as people intend it to be, and it remains compliant with relevant legislation.

The structure a club chooses is a major factor to how much administration (such as external reporting and internal record keeping) is required. Factors that usually influence the choice a club makes about which structure to adopt includes recognising and protecting the extent of risk that members and committee members are liable for; preferred sources of income; future growth aspirations; and how relationships with its members, other clubs, and partner organisations can be best managed and protected.

This paper has been produced to provide an overview of the different structures that community-based hockey and multi-sports clubs can adopt. As far as possible, it has sought to use plain English and terms that are easier to understand.

It is also based on some assumptions about the nature and culture of the clubs who will be using it. These have informed the final selection of which legal forms have been included, and how they have been profiled.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

These assumptions are:

1. Clubs will not be seeking to maximise profits or trading surpluses for the benefit of private individuals – as such, private companies limited by shares have not been included in this guide, as this is the primary reason why this particular legal form is typically used. As such, it can often be seen as a legal form which is ineligible by many grant and social investment bodies.

2. Clubs will have a strong democratic basis through a formal membership of people who use its facilities, as well as possibly others who are based in the wider community and have an interest in how the club can generate benefits and impact for people beyond the pitch. As such, traditional co-operative societies have not been included in this guide, as these exist principally to benefit their members only (these members sharing an exclusive common bond, such as all being employees in a shared workplace, or tenants in a shared housing complex).

3. In the main, clubs will be exclusively focussed on playing hockey. However, it is recognised that some hockey clubs may be part of a larger umbrella, or multi-sports, body which offers other sports and activities. In such instances, the hockey clubs' democratic membership may likely work differently; this is referenced and briefly explored in later sections of this guide.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

There is no definitive method of categorising the structures, but for the purpose of this guide we have profiled them as follows:

- Companies Limited by Guarantee
  - This includes the option for such companies to also be jointly registered as a charity
- Community Interest Company (limited by Guarantee)
- Community Benefit Society
- Charity (Charitable Incorporated Organisation(CIO))
- Community Amateur Sports Club Status (CASCs) *

*Although not a legal organisational structure, it is a potential additional status for community sports clubs, which can offer some additional financial benefits.

It should be noted there are aspects, particularly financial, requiring specialist professional services to provide answers for specific questions. The financial aspects in the paper are purely descriptive in nature and not intended as definitive or any other type of advice. For example, where a charity may be better served with a trading subsidiary the guide does not seek to answer all associated questions, but primarily raise it as an issue to be considered.

Clubs should always seek additional advice to specific questions they may have – either in testing their understanding gained from this guide, or that may relate to specific circumstances not otherwise addressed within it.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Table 1 – Summary overview table of main options compared

To help readers better navigate the content of this guide, the table below presents a high-level summary of the main legal form options typically chosen by clubs, along with some of the principal considerations which may influence a club's future options, and how these compare to each other:

<table>
<tr><th></th><th>Flexbility over trading activities</th><th>Tax reliefs</th><th>Protection of vision and assets</th><th>Make-up of Board</th><th>Access to different types of finance</th><th>Typical time to register</th></tr>
<tr><td>Company (limited by guarantee)</td><td>High</td><td rowspan="2">Limited</td><td>Optional</td><td rowspan="2">Anyone</td><td rowspan="2">(Social) investment

Some grants</td><td>Within 1 week</td></tr>
<tr><td>Community Interest Company (limited by guarantee)</td><td>Subject to CIC Regulator opinion</td><td rowspan="3">Automatic</td><td>Within 2-3 weeks</td></tr>
<tr><td>Charitable Incorporated Organisation</td><td>Subject to restrictions in charity law</td><td>Yes</td><td>People without any 'material interest' (i.e. not paid by it, or a business which supplies it)</td><td>Eligible for most grants optons

(Social) investment</td><td>Between 3-12 months</td></tr>
<tr><td>Community Benefit Society</td><td>High</td><td>On application to HMRC to secure exempt status</td><td>Anyone</td><td>(Social) investment

Some grants</td><td>Within 1 month</td></tr>
</table>

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

With regards to any specific funding options that a club may be considering applying for, the club should check the criteria of that specific funder.

For example – the Pitch Together investment fund from England Hockey requires applying clubs to be incorporated, have an 'asset lock' (referred to in the above table as 'protection of assets'), limitation on dividend payments (where the applying club may have adopted a form that includes shares held by individuals), and clearly defined social purpose (referred to in the above table as 'protection of vision').

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Why spend time understanding legal structures?

Before profiling the options, and how they compare to each other, it is important to identify what the key criteria are for considering, when reviewing the different forms.

This is because, while there is a great deal of information available about each of the different forms, being able to identify and prioritise the key aspects which may be relevant to your club can help you better navigate and make sense of the options open to you.

These can include:

1. **Managing risk**

Many clubs are historically recognised as 'unincorporated' (they are not registered or regulated by any legal body) – as such the management committee and members are personally responsible for any and all risks associated with its activities – for example:

- if the club borrows money, they are personally liable for repaying it;
- if the club enters into a contract and cannot deliver the agreed activities, they are personally liable to the commissioning body for any damages that the commissioner may seek to recover from them;
- if they sign a property lease on behalf of the club, they are automatically personally liable for ensuring its terms are fully met (for example making sure agreed rent payments are always made to the end of the lease, making repairs to any damage to the property, etc);
- if the club starts to employ people, the welfare of those staff is the personal responsibility and liability of the members and management committee.

Whilst there may be some insurance policies that could help reduce the exposure to personal risk in the above scenarios, the process of registering (also known as 'incorporating') a club with a specific form, means that the club then takes on its own legal identity – and in doing so, legally protects the members and management committee from personal risks such as those referred to above. This is why some legal forms include the word 'limited' – it is a reference to the personal liability of people involved in it being 'limited' or protected.

2. **Raising finance (including securing grants)**

There are many ways in which a club can generate finance or support for its activities or projects. However, different types of finance will be offered by different types of organisations – each of which will have their own rules and requirements which can include your eligibility to apply to them, based on your legal form. For example, companies limited by guarantee offer the most flexibility over trading activities, whereas charities are better placed with regards to being able to apply to the most amount of grant making bodies.

3. **Succession and growth**

Over time, it is likely that other people will become involved in the managing and leading of the club. Also, that the services, activities, and any products offered will also grow or change. Different legal forms can offer more protections or flexibility over how far the original vision for the club can be 'flexed' in response to these future changes, or how far it must remain focused on this initial purpose and activity. For example, Charities and CICs must gain their respective regulatory bodies' approval before being able to change their main purpose or principal activities – whereas Companies can usually find it easier in comparison to be able to respond to future changes.

4. **Protecting assets and identity**

If a club is wound up a at future date, the legal form it has adopted will determine the extent to which any remaining 'assets' (cash, equipment, etc) can be legally protected to continue to be used for their original purpose of supporting the playing of Hockey by a wider community.

Most existing clubs that are managed as 'unincorporated associations' (they are not registered or regulated with a distinct legal form, but hold a constitution which guides how it's members have to act in different circumstances) usually have a clause in their constitutions which state that if they are wound up, then any assets must be gifted to another similarly constituted club or their National Governing Body (NGB). As they are not incorporated, it is the members' responsibility to make sure that such clauses are enacted – if a club is incorporated with 'asset locks' there is an additional level of legal enforcement to also ensure that this happens as intended.

5. **For some clubs, their models and bases of accountability to their community may wish to be reviewed.**

For clarification, this introductory guide is only concerned with legal form options, not governance structures – but some legal form options will allow more/less formal and protected ways that identified communities or groups of people (including current clubs members, identified by their paying a subscription fee) can have legal voice and power within the club. (Where a club usually adopts a model that allows for such power to be shared amongst a wider group of people, it is in the interests of helping protect its original vision and purpose for that community).

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Choosing your legal structure

Care should be taken by clubs when choosing their legal form, as if it later becomes apparent that an alternative option would have been more suitable, the process of changing it can be limited and costly (see separate section in this guide on changing your legal form).

Clubs should consider several questions when thinking about which legal form might be 'best fit' for them:

- What credibility does the legal form confer on the club? (for example – charities are widely trusted on the basis that they are a charity).
- To whom should the group be answerable to for its decisions? (for example – most of the CICs currently registered do not have a large formal / legal membership, and rely on the CIC Regulator to validate and assure their Boards that they are acting in the best interests of their community).
- What types of income should the group be able to apply for in the future? (for example – charities have the greatest number of opportunities to apply for grants, but only Community Benefit Societies can offer local people the opportunity to invest their own money in the club as a show of support for it and its plans through a 'community share issue').
- What types of activities does the group plan to undertake? (for example – CICs cannot do anything that relates to political lobbying and campaigning, but charities are regulated to ensure that their activities will always be in line with supporting and protecting the club's core purposes).

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

As stated in the introduction to this resource, the information presented here is intended to help groups better understand the options and some of the implications associated with adopting different legal forms. It is not intended as formal legal advice, and specialist advice should always be sought before making any final decisions about how a group might choose to incorporate itself.

Structures available to choose from – unincorporated

As highlighted already in the 'why bother spending time understanding legal structures' section, many clubs begin their journey before they choose a specific legal form to register with.

During this period they are usually recognised as a community organisation / unincorporated association. As profiled later in this guide, such clubs are also eligible to apply to HMRC to be recognised as a community amateur sports club (casc) for additional tax benefits. Such casc status is not a separate legal form, but a tax status:

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Table 2 – Profile of an unincorporated club structure

Type	Registered with	Need for seperate bank account	Risk remains with	Governing document	Advantages in summary	Disadvantaes in summary
Community organisation / unincorporated club	n/a	No (but strongly encouraged to have one)	All members of the club and management committee	Set of shared rules (a 'constitution')	Highly flexible Minimal administration Can seek charitable status (but this would not automatically negate the personal risk)	Unlimited personal liability for groups' members Can be harder to seek larger contracts or funding
Community Amateur Sports Club – tax status only, not a legal form which is applied for separately	HMRC	Y			Highly flexible Tax benefits: -Able to register for Gift Aid -Some exemptions from tax on trading activities Business rate reliefs	

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

There are over 150,000 sports clubs and associations in England, with the vast majority unincorporated – as this form is the simplest way to organise and operate a club, enabling it to focus on its primary purpose of playing sport. Historically, it has also been the default arrangement through which community sports clubs of all types formed, hence it being commonplace today.

This form requires little formal administration, reporting to just its membership and is led by a management committee with a constitution to clarify how this body is elected and the extent of its powers to act on the club's behalf. It offers considerable freedom for the club to act as it sees fit, but when / if seeking external support or funding it may begin to constrain the club as this form cannot satisfy eligibility requirements of many larger financing bodies.

When a club grows, additional risks can start to emerge (see 'why bother…'), which can also act as a catalyst for a club to explore taking on a distinct legal form to better protect the personal risk of its members and those who lead it.

Table 3 – Key Characteristics of Unincorporated Sports Clubs and Association

Feature	Consideration
Not legally separate from its members and management committee	People involved in the club are personally responsible for any risks or debts.
Governed by a constitution document	Club is reliant on members to enforce the agreed rules – no separate regulatory body who can enforce any disputed decisions or actions; this can also affect the perceived risk that some larger grant and investment bodies may feel comfortable with in relation to any rules in its constitution a club may have relating to its membership, uses of surpluses, and intended use of assets if it is wound up
If club is wound up, constitution rules would determine what happens to cash reserves, equipment, etc	
Managed by a committee, usually elected from the club's membership	No legal restrictions on who can be part of the committee.
No external reporting or regulation	More 'light touch' administration, but less credible and transparent to external bodies
Eligible for some small grant and funding opportunities	As no separate regulatory body who can enforce any disputed decisions or actions, some larger grant and investment bodies may feel applications from the Club are too risky for them to be able to consider
No automatic exemptions from taxes on trading, any arising business rates etc	Can limit potential to maximise fundraising activities and efforts – means raising finance limited to members, etc
Not eligible for gift aid on donations and gifts (unless registered with HMRC as a casc)	
Can pay players and staff, including club members	Individuals within the club membership, most often the management committee, will have personal responsibility and legal obligations for any associated contracts and payments

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Structures available for clubs to choose from – incorporated

At some stage, a club will have identified that they need to go through a process of formally incorporating themselves – usually for the reasons profiled in the earlier 'why bother spending time understanding legal structures' section.

Regardless of the option that may be selected from the forms listed below, it should be borne in mind that the process of incorporation not only commits a club to additional administrative tasks (such as filing accounts and returns, and need to observe additional compliance and rules), but also that the people who take on formal legal roles within it (usually Directors or Trustees) will also have legal responsibilities associated with these.

These specific legal duties will vary depending on the specific form, but in general, they require a person in such a role to:

- Always act in the best interests of the club
- Avoid any conflict of interest (such as committing the club to a course of action on the grounds that they would personally financially gain from it)
- Consider the wider implications and impact of decisions being made on different audiences to the club
- Ensure that the club is always compliant with all relevant laws and legislations
- Always seek advice or additional information if they are unsure about a decision they need to make

The below table offers a summary of the 3 main 'groups' of legal form options. There then follows additional tables that offer more detail about each of the options with these groups.

Table 4 – Comparison of main legal form options available to clubs for incorporation

	Companies and CICs ***(using the Guarantee option = CLGs)***	**Community Benefit Societies**	**Charities**
Ability to trade	Y – highly flexible	Y – highly flexible	Y – but limited
Ability to borrow money	Y	Y – and can borrow money from people through 'community share issues'	Y
Ability to apply for grants	Partly – if a company has incorporated with shares instead of guarantee, then this will preclude it from being able to apply to most grant making bodies	Y	Y (and eligible for more than any other legal form)
Ability to register for Gift Aid	N – would also have to apply for a separate CASC status	N	Y
Ability for Directors to be employed or paid	Y	Y	N
Recognition amongst general public, banks, accountants, etc	Y	Varies – but often requires education to help people understand this form	Y - Highly trusted 'brand'
Flexibility over changing future trading activities	Y – for companies partly for CICs as requires regulator agreement	Y	Partly – requires regulator agreement
Ability to evidence asset lock and protection of trading surpluses for community benefit	Partly – for companies (needs changes to rules) Y – for CICs	Y (if a Community Co-operative Society)	Y
Regulator	Companies House and HMRC for Companies and CICs – Receive annual accounts, updates to changes in Directors, etc CIC Regulator (for CICs) - receive additional annual report on impacts and benefits created for defined community	FCA and HMRC - receive annual accounts, updates to changes in Directors, etc, and ways in which Society has engaged its members and benefitted its community	Charity Commission and HMRC - receive annual accounts, updates to changes in Directors, etc; and annual report on public benefit created. Higher degree of detail needed than other legal form options.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Companies

There are several types of company a club can choose to register as – limited by guarantee (no shareholders); limited by shares (private individuals are invited to financially invest in the company, and in return they hold voting rights); and public share company (where anyone can financially invest in the company). For the purposes of this guide, the focus is on the company limited by guarantee – as it best fits an ethos of prioritising the wider community benefits of playing hockey over generating profits for private individuals; and offers the most flexibility with regards to future governance and funding options.

Companies are a highly flexible legal form with regards to how their rules ('Articles') that guide how they act can be adapted and flexed to reflect the values and priorities of a club – this can include ensuring a continuation of current practices with regards to how committees are elected, act, etc.

They are commonly used where a club may decide that becoming a registered charity isn't appropriate for them, but that they still wish to better recognise and limit the extent of personal risk to management committee and members.

As referred to above, most clubs adopting a company form tend to use the 'guarantee' option, as this most closely mirrors the governance of an existing unincorporated club (the members remain the members, and vote on who the Board should be; and the Board regularly report back to them about how they are managing the club on their behalf). This form confers no private ownership rights, and as such is considered by some grant making bodies as being eligible to apply to them.

Table 5 – Summary benefits and limitations of company form

Benefits	Limitations
Highly flexible governance options that can be designed into its Articles (equivalent of a club's constitution).	No automatic tax exemptions.
Able to include / adopt recognised community business (social enterprise) characteristics of social purpose; asset lock; and restrictions on how any profits can be used since1986.	Can't apply for as many grants as charities can.
Players, members, staff, etc can also be on the Board as Directors (and paid for being such)	
Least amount of administration in comparison with other incorporated legal forms.	

As referenced in the above table, companies can also be attractive to some clubs as it demands the least additional administration to manage it in comparison with the other incorporated form options. It also allows the highest degree of flexibility with regards to who can be part of the Board (management committee), and the types of activities (both traded and grant-funded) it can undertake in comparison with other legal form options.

But Companies are treated for tax in the same way that any other non-charity would be (unless they are also registered as a CASC – see separate section, or are also separately registered as a charity with the charity commission as a charitable company. In this second scenario, the club would be treated as a charity and subject to additional charity law and regulation – see separate section on charities).

ENGLAND HOCKEY

It should also be borne in mind that unlike some of the other legal form options, Companies do not typically have an automatic 'asset lock' to protect equipment, cash, etc from being taken by individual members in the event of the club being wound up in the future. While it is possible to 'add this' to the Articles (the main governing document of a Company), without it a Company would struggle to satisfy the full eligibility requirements of most grant making or investment bodies it approaches. And while it may be possible for members to hold a future vote to remove this protection (as they can if they are an unincorporated club), the members would also need to satisfy Companies House as the regulator as to why it is in the best interests of the club to do so.

Charitable companies

In addition, there is the option for a company limited by guarantee to apply to the Charity Commission to also be recognised as a charity (and be subject to the same benefits and limitations of one).

If the application is successful, then the company remains registered with Companies House, and liable for all administrative duties associated as such but then begins to be able to access the benefits of also being a charity. But it is then also subject to administrative and reporting requirements as such with the Charity Commission.

More detail about charities is included in the separate section on this guide.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Community Interest Companies

In the early 2000s, the UK Government introduced the CIC status as part of a wider policy initiative at that time to try and encourage more social entrepreneurship – it acts as a 'bolt on' to an existing limited company form, which means that a CIC can be either guarantee or share (although the majority are guarantee in order to better satisfy the eligibility of grant making bodies they wish to apply for funding from).

Key differences in being a CIC over a limited company relate to:

- There being an automatic 'asset lock': if a CIC is wound up, any remaining assets can only be passed to another CIC or a charity to protect their original purposes and intention.
- Their being regulated on activities, purpose, and geography (in the same way that charities are): while this may mean they might not be able to be as immediately flexible as a non-CIC Company, this can help with developing and embedding a culture that retains and protects the focus of the club who chooses this form from risk of future 'drift'.
- Having to generate a public statement each year about the benefits created for their community, and how they have involved the community in how they have managed and run the club. For non-CIC companies, this is optional.
- Otherwise, the same broad features apply as for a non-CIC company as profiled separately in this guide. But it does not benefit from any the tax advantages available to charities.

Table 6 – Summary benefits and limitations of CIC status

Benefits	Limitations
More visible 'brand' in needing to include the phrase 'community interest company' or 'CIC' in its registered and public name	More limitations on trading activities in comparison to limited company (but still more flexibility than charities)
Can be more grant funding options in comparison to limited company (but still less than a charity)	Regulator defines the community of a CIC as being geographical first – which may impact future growth?
Players, members, staff, etc can also be on the Board as Directors (and paid for being such)	No automatic tax exemptions
Regulatory powers to protect purpose and assets include removing/appointing Directors; revoking trading activities; and suing other people in the CIC's name	

Table 7 – Comparison of CIC and company limited by guarantee

	Company Ltd by guarantee	CIC Ltd by guarantee
Basis of social purpose	Defined by club's members Determined by Directors and confirmed by members	Once defined by the club's members has to be subsequently agreed with CIC regulator
Trading activities		
Ability to apply for grants	Y – but not as many as charities would be able to	Y - but not as many as charities would be able to
Flexibility to apply / share / use profits	Defined by founders Determined by Directors	Subject to limits set by the CIC Regulator
Ability to borrow money	Y	Y
Accountable to	Members (who are agreed by the Directors, and who can also act as Directors)	Members (who are agreed by the Directors, and who can also act as Directors)
Registration	Filing with Companies House	Application to CIC Regulator

Table 8 – Characteristics a CLG and CIC-CLG hold in common

Have a legal personality - both are incorporated as companies
Governed by Memorandum and Articles of Association – which has flexibility in how democratic control by members and other characteristics can be reflected and included
Managed by a board of directors which can be elected by the membership
Players can be paid, as can members and directors but this can be restricted in its governing document
Not eligible for gift aid on donations (unless also registered as a CASC)
Eligible for some but not all sources of grant funding

Table 9 – Some key differences between CIC-CLG and CLG

	CLG	**CIC-CLG**
Community Purpose	No legal requirement - purely an option for governing document	Must be established for a community purpose, approved by CIC regulator
Statutory Asset Lock	No - purely an option for governing document	Yes
Branding[1]	Can apply to not have to use 'limited' in its trading and public name if it can show it has adopted a social purpose and asset lock in its Articles	Must have the letters CIC or Community Interest Company in its trading and public name
Dissolution	No - purely an option for governing document	On winding up, assets must be transferred to another CIC or Charity once all liabilities are met
Regulation	Companies House	Companies House plus CIC Regulator

Community Benefit Societies

Before the introduction of the CIC status, CASCs, modern charities, and even Companies limited by Guarantee, the most commonly used incorporated form for a community business was a Community Benefit Society.

Table 10 – Key Characteristics of Community Benefit Society

Feature	Consideration
Governing document is called 'Rules', and a club usually needs to adopt a pre-approved 'model set' from a national body such as Co-operativesUK	Possibly less flexibility over some aspects of governance design that a club might prefer, and which it could otherwise include in a Company or CIC.
Regulated by the FCA	Administrative requirements may entail need for specialist accountancy and / or governance support, owing to different regulation from what most practitioners who support social economy groups are familiar with.
Financial surpluses and assets protected to continue to directly deliver beneficial activities for the community	Can limit the potential to otherwise raise investment through the community share issue in only being able to offer limited returns to members that subscribe (buy into) to the share offer.
Can apply for charitable tax status with HMRC[2]	Reduces potential tax liabilities, and no need to report or be subject to Charity law.

[1]https://www.thirdsectoraccountancy.coop/charitable-community-benefit-society

In contrast to Companies (which can be formed by a single person), Societies require a larger defined legal 'membership' – a body of people who share a common purpose and are in agreement as to how the venture should be led and managed in best achieving that purpose. Within the context of sports they are commonly used by Football Supporters Trusts as a mechanism through which to raise investment in the form of 'community shares', which then allows the fans to more easily have a legal stake and ownership in the football club and have influence on its Board.

Also of difference to companies, where it is possible for an individual to have more than 1 vote based on what they have been able to invest or pledge in support for it, a Society must maintain a 'one member one vote' practice regardless of how much or little any member has been able to invest as financial support to it.

They are also regulated on a set of democratic and wider community benefit values, whereas other forms are regulated only on how well they are complying with the relevant legislation to that legal form.

Table 11 – Summary benefits and limitations of Community Benefit Society

Benefits	limitations
Recognised as the original social enterprise / community business legal form from over 200 years ago	Not as widely recognised or understood in comparison to other legal forms, so not as easily able to apply for grants as charities can
Embeds and protects ownership and accountability to members	More administrative requirements than a Company or CIC
Allows for raising funds through a community share issue	Requires larger number of Directors as minimum in comparison to Companies and CICs

Perhaps a situation where a Community Benefit Society might offer the most benefit for a club is when it may wish to raise finance from its members and the wider community. It has advantages in generally not needing to secure expensive authorisations (Financial Services and Market Act 2000[3]) from the Financial Conduct Authority (FCA) to manage and promote such an investment/share offer.

Additionally, it may be able to offer tax relief to such investors (in the form of investment schemes overseen by HMRC). Finance raising in this way can therefore be cheaper for the club and financially advantageous to its investor members – the club / society would determine at the point of inviting people to buy such shares what it would offer any members buying them (which does not always have to include a financial return[4]).

For further information about cooperatives and community shares:

https://www.uk.coop/
https://www.uk.coop/start-new-co-op/support/community-shares/standards

[3] https://www.legislation.gov.uk/ukpga/2000/8/contents
[4] For more information about community shares: https://www.uk.coop/support-your-co-op/community-shares/about-community-shares #

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Charities

This section of the guide will focus on the Charitable Incorporated Organisation (CIO). Although there are several other forms of registered charity available (including charitable company, and unincorporated charity), these have not been included here as:

1. The CIO was introduced to replace the historical (and traditional) charitable company option: it confers the benefits of limited personal liability that a limited company would, but without the need for having to register and report to 2 separate regulators (Companies House and the Charity Commission).
2. The Charity Commission anticipate that any club or group applying for charitable status will only want to select this type of charity form.
3. Unlike previous historic/traditional types of charities, there is no requirement for a group to have any minimum amount of funds before it can apply to the Charity Commission to become a CIO. Other forms of charity (including a company registered with charitable purposes) can only apply to the Charity Commission when their income reaches £5,000 in any year.
4. Unincorporated charitable trusts do not confer any protection of risk of liability of members or trustees, making them akin to clubs that are currently unincorporated, so would seem to not be a viable option for clubs wishing to manage risks.
5. Charitable companies are referred to elsewhere in this guide.

Table 12 – Summary benefits and limitations of Charities

Benefits	Limitations
Can trade to generate income	Strictest rules amongst all legal form options as to what types of trading activities are allowed.
Able to apply for the most grants; eligible for gift aid; some tax exemptions (corporation tax on trading, business rates, some VAT)	Trustees (Board) not allowed to be paid or directly benefit from what the charity delivers.
Easier to seek support from corporate sponsors and supporters (based on their having more options to benefit from such support in their financial accounting, by showing how they are giving to a registered charity)	Higher degree of reporting and administration compared to other legal forms.
Strong trust / awareness with all groups of people	

Table 13 – Tax Benefits for CIOs and Charitable Companies

If income and gains are spent on charitable purposes tax is not paid. This includes profits from primary purpose trading, donations, income from investments and property, bank interest, capital gains from selling property and other assets and do not pay stamp duty [1] [1] https://www.gov.uk/charities-and-tax/tax-reliefs
Can claim gift aid on donations subject to certain conditions.
Eligible for Payroll giving.
Mandatory rate relief of 80%.
Potential VAT reliefs[6]

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

While charities have to exist exclusively for public interest and show how their purposes fall within one of 13 recognised purposes in law, this includes 'the advancement of amateur sport'[7], meaning that community hockey clubs can be immediately eligible to apply for this legal status and form for themselves.

However, there are some specific considerations a charity form also confers that a club should consider:

- Trading activities may be subject to greater restrictions (such as running a licensed bar), necessitating the creation of trading subsidiary companies with greater administration
- The application process to the Charity Commission is more involved, and takes longer, than other legal form options

[5] https://www.gov.uk/charities-and-tax/tax-reliefs
[6] https://www.gov.uk/vat-charities
[7] https://www.gov.uk/government/publications/what-makes-a-charity-cc4/what-makes-a-charity-cc4#part-3-about-the-descriptions-of-purposes

Table 14 – Different types of CIO

Association	Foundation
Has a defined membership, separate to Trustees.	No legal (voting) membership – only Trustees.
Trustees mainly elected by members, and are accountable to them.	Trustees elect themselves and are accountable to the Charity Commission only.
Members can be individuals as well as other organisations or clubs.	Less administration in comparison to the Association model.
Allows for the charity to create forums and consultation events with different groups as it sees fit.	

As highlighted in the above table, there are two forms of CIO that a club wishing to adopt charitable status must choose between: the foundational model and the association model.

Given that most hockey clubs have a strong and historical ethos of being led by and accountable to their members, it would seem that the Association model might be the preferred option for clubs wishing to adopt a charity form. This is because it would maintain members current rights and influence in the club's decision making and leadership. However, where a hockey club is part of a wider multi-sports body, it may be more appropriate for the Foundation option to be adopted: this is because different sports who share the space and facilities would have different numbers of respective members – this could lead to an imbalance in future voting etc leading to some clubs feeling disadvantaged in how they are represented and can bring voice and influence in the leadership of the wider organisation. A Foundation model could see Trustees being agreed from each sporting club to ensure equitable representation between all users of the site's facilities.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

CASC (Community Amateur Sports Club) status

The CASC status was introduced in 2002 as an alternative to full charity status for small, local community sports clubs to be able to benefit from the tax advantages that they might otherwise be eligible for as a charity but were too small to be able to fully comply with all the requirements and processes associated with being one.

It is not a distinct legal form (a club must be constituted, be a company, or be a CIC), but has become a status appropriate for many unincorporated sports clubs plus some incorporated entities. It allows the club to register with HMRC, following a successful application, to benefit from a range of tax reliefs[8] including gift aid, if they meet certain criteria. These include (but are not limited to):

- Not generating more than £100,000 income year through activities classed as 'non-member trading' (e.g. bar and food sales, and rental income)
- At least half of the club's members can be shown to be actively participating in the club's activities
- Membership (and use of facilities) must be open to the wider community, which includes limits on how much can be charged in membership fees (currently £520pa)
- No more than £10,000 a year can spent as a combined total to all players who may receive payment from the club
- The clubs governing document shows how any assets remaining after it may be wound up will be gifted to another recognised sports club or charity

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

It is of particular relevance to unincorporated sport clubs which have limited risks (i.e. do not hold leases, have borrowed money, employ people, etc), but could gain financially from the charitable tax benefits, as can those people making donations to it.

Once registered as a CASC a club cannot convert into a charity - it must wind down then transfer its assets to a new charity (or lose this status by no longer meeting the criteria). If the club is already a charity there are no benefits to becoming a CASC as you cannot be both.

It should also be noted that CASC status is not transferrable – if a club already has CASC status and is wishing to change its legal form, then as it does so it will lose the existing registration as such with HMRC and have to re-apply as the new form.

There are two ways in which a club would cease to hold CASC status: either it has choses to wind up its current form, or because HMRC determines that it no longer meets the eligibility criteria to remain one. In both instances, on a club 'losing' its CASC status, then as well as it ceasing to enjoy the financial and tax benefits it had previously been able to access and utilise, any assets (land, buildings, etc) that the club still owns in its name will be subject to capital gains tax by HMRC[9]. As such, it is important to identify and understand any risks a club may face in changing its legal form if it already has CASC status.

[8]Exemptions on corporation tax are allowed against a maximum income from trading of £50,000pa (and £30,000 from managing any properties such as buildings or pitches including artificial grass pitches). Any income generated above these amounts would be subject to corporation tax.

[9]HMRC rules deem that on de-registering as a CASC, any assets that remain in the club's name will be treated as if they had been sold at full open market value. This may incur a significant capital gains tax liability for the club.

Table 15 – Key characteristics of a CASC

Status is intended to be permanent – until wound up or no longer meet eligibility criteria
Club must be open to the wider community – open membership with inclusive fees – other activities such as tours must be inclusively priced
At least 50% of membership must be participating members as well as other organisations or clubs.
Must provide an eligible sport – predominately amateur
Club must have a non profit distributing / dissolution clause for benefit of community or approved sporting or charitable purposes
Limitation on sale of drinks and food for social benefit e.g. post activities for non-members of the club
Can start up trading subsidiaries, advice is strongly recommended as tax reliefs not eligible for subsidiary
Corporation tax exemptions on: • Trading profits if the turnover from that trade is less than 50k pa this includes fund raising income • UK property income if the total income is less than 30k per year • Interest received • Chargeable gains To be eligible for these reliefs the organisation must apply all its surpluses for its primary purpose concerning amateur sport
Automatic / mandatory business rates rate relief of 80%
Gift aid able to be claimed on individual and corporate giving plus donations from land, property and legacies
Grant eligibility of the club to be able to apply for any identified funding will generally be based on its legal form, not its CASCstatus

More detailed guidance on CASCs is available from:
https://www.gov.uk/register-a-community-amateur-sports-club
http://www.cascinfo.co.uk/

Trading subsidiaries

As referenced in the charity section of this guide, there may be circumstances where a club with charitable status identifies an option to undertake specific trading activities (such as running a bar) but is unable to as it falls outside what it able to be permitted under charity law[10]. (Generally, any trading that a charity undertakes must be directly linked to it further achieving its core charitable purpose and involve the people it supports).

In such instances charities usually register a separate limited company, which it 'owns', and through which the trading activity can be delivered. This allows trading surpluses to be generated and then passed back to the charity via its ownership of the company.

Any such trading company would not be eligible for tax exemptions as when they are run from the charity. However, the profits from the trading subsidiary can be donated to the parent charity to reduce the trading company's corporation tax liability.

Another reason why some charitable clubs may choose to create a subsidiary trading company in this way might be to separate the risk of the trading from the charity's core activities and assets.

It is recommended that the trustees of a charity in such circumstances look at each type of service they will be delivering, assess it against their charitable purpose and then discuss whether that activity should be run from the charity or the trading subsidiary. It is recommended advice is taken, particularly in relation to taxation issues.

[10] https://www.gov.uk/guidance/charities-and-trading

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Changing your legal structure

As most clubs will already hold some form of status (including being an unincorporated association), changing it will necessitate a formal process. This section outlines the principal stages of how a club can convert itself from one form or status to another. As with all other information offered, this is for illustration only and clubs should seek additional specific support as each's circumstances will differ according to assets held, timing, and other factors.

As profiled below, the process and implications of changing a club's legal form / status can be costly and time consuming. If a club is considering making such a change it should carefully consider how far the identified benefits from doing so, will outweigh the costs of doing so (including the costs of remaining as it currently is).

Table 16 – Summary of options that a club can change its legal form from - to

Current form	Unincorporated Club	Limited company	CIC	Community Benefit Society	Charity
Intended Future Form	-	-	-	-	-
Limited Company	Yes	N/A	N/A	No	No
CIC	Yes	Yes	N/A	No	No
Community Benefit Society	Yes	Yes	No	n/a	No
Charity	Yes	Yes	Yes	No	N/A

The time needed to manage the change in each of these options will mirror the usual time needed to register each respective form (see summary table at the start of this guide). However, based on the specific circumstances of each club (such as terms of any leases, etc), there may need to be additional periods to fully progress the transfer of all commitments and assets etc to the new legal form.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Unincorporated club to anything else

Most clubs exist as unincorporated associations. The process of incorporating would involve the club following its existing rules/constitution to vote for a change of its incorporation (i.e. call a meeting of its members to provide information and undertake a vote of its members for any changes).

It would then create a new legal entity, and the members of the existing club then agreeing to wind up the existing club, and transfer all assets, commitments, etc into the new legal form for its activities to be continued through it.

Once completed this means the club legally 'restarts', as the new legal form which it is using will not have any legal history or accounts as the previous club did.

Limited Company to Charity

If a club is registered as a company limited by guarantee it can apply for charitable status by making a full application to the charity commission. This requires its members to initially agree to the change, and to adopt a new set of company articles (governing document) that complies with charity law.

Once agreed, the club will then continue in its name and history, but with an additional charity status.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Limited Company to CIC

Any pre-existing limited company of any type can apply to the CIC Regulator to gain CIC status. This involves the company's members agreeing to the change, and the company adopting a new set of company articles that comply with CIC legislation and applying to the CIC Regulator.

Once approved, the new CIC then continues with the same name, history, accounts, etc as the original company had built up.

CIC to Charity

Any pre-existing CIC limited by guarantee can apply to the charity commission to convert to a CIO. The process is the same as for a limited company applying for charitable status, but on completion the CIC and its linked Company will cease to exist, being replaced by the new CIO. However, this process allows the CIC to retain its name, accounts, history etc.

Community Benefit Society to anything else

If a co-operative or community benefit society (without charitable tax status) wished to change to a different legal form, it must first gain the agreement of its members and then gain the approval of both the FCA and Companies House.

Once agreed, the Society's assets and commitments would be transferred into a new company (either limited by guarantee or share).

A community benefit society with charitable status cannot convert to company or a CIO – an application would have to be made to register a new CIO, and once agreed, the Society's members would then vote to wind up and transfer all assets and commitments into the new charity.

Company to Community Benefit Society

As with other scenarios, the process involves the company's members agreeing to the change, a new governing document and governance adopted, and an application agreed by the FCA. This would see the existing company's name and history protected and continued as it becomes this new legal form.

Charities

Owing to the nature of the legislation that governs and regulates registered charities, a charity cannot be changed into any other legal form. If it is found to be no longer suitable, and a decision made to dissolve it, any remaining assets must be transferred to another charity.

ENGLAND HOCKEY

Next steps

The purpose of this guide is to offer an initial introductory overview of the legal form options available to clubs.

It is hoped that its structure and approach have helped you better understand not only the range of options, but also how to consider the relative merits of each with regards to how they may help/hinder your club achieve both its goals, and intended ways of working.

Before making any final decisions, you should speak with a specialist adviser or undertake further research.

However, as referenced in this guide, there are always options through which a club can change its legal status after it has originally chosen and registered with it. But depending on what it originally chose and what it may wish to become with mean varying levels of cost and complexity need to be incurred.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Appendix:

Companies House
https://www.gov.uk/topic/company-registration-filing/starting-company

CIC Regulator
https://www.gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies

Charity Commission
https://www.gov.uk/set-up-a-charity

Financial Conduct Authority
https://www.fca.org.uk/firms/register-mutual-society

HMRC
https://www.gov.uk/log-in-register-hmrc-online-services/register

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Appendix – Regulatory Bodies

	Companies House	CIC Regulator	Charity Commissio	FCA
Can't dictate how club manages its day-to-day practices	Y	**Some influence**	**Some influence**	**Y**
Ensure relevant records are being kept	**Y**	**Y**	**Y**	Y
Receive annual reports and end of year accounts	**Y**	**Y**	Y	Y
Can wind up and investigate concerns reported to them	Y	Y	Y	Y
Can remove and appoint Directors / trustees of own choosing	Can remove	Y	Y	Can remove
Can overrule member vote if assets deemed to be at risk	N	Y	Y	Some influence
Can sue others in club's name to protect assets	N	Y	N	N

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Governance

It is also important that a group understands how its governance (the ways in which relationships between different groups of people who are connected to it) are structured and managed.

This is to ensure:

- The voice of the community (assumed as the club's membership in the main) is appropriately heard and protected in its decision making;
- The make-up of its volunteers, paid staff, and leaders are credible, through being representative of the community;
- That no single interest group or person can start to exert undue influence over the group: it will always remain focussed on benefitting all within its community;
- That if there are problems, people feel able to work together in resolving them;
- That the group can ensure 'succession' (the people who create, and/or are involved in it today, will not be expected to carry on running it for the rest of their lives: there will be opportunities and encouragements for others to become involved in the future);
- That the group can be seen as trustworthy by others who may be considering awarding it funding, or asking it to undertake works on their behalf.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

Defining Governance

Governance is sometimes referred to as:

“a system that provides a framework for managing organisations. It identifies who can make decisions, who has the authority to act on behalf of the organisation and who is accountable for how an organisation and its people behave and perform.” (taken from the Chartered Governance Institute)

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

As such, it is made up of different 'ingredients':

Governance 'ingredient'	Definition
Policies	Agreed guidance for how a group will manage or respond to a situation.
Governing document	The 'rules' which the group have adopted which determine what its' purpose is, how it is led, how its community have influence and voice within it, what happens if it needs to be wound up.
Board / Management committee	The group of people chosen to lead the group – they are responsible for ensuring that it is achieving its purpose as best it can, that it is complying with relevant laws, and the voice of the community is being appropriately heard.
Working groups	Connected to the Board/Management Committee, these are usually small groups of people who are focussed on a specific task or project (such as organising an event, or thinking about how to recruit other people into the group in the future).
Members	The people who hold voting rights in the group – they act as its guardians in being the people who decide which people should be on the Board, if its money is being well managed, and if it should change its purposes in the future

There are many ways in which groups can design and introduce practices that relate to their governance, in ensuring that that they are best achieving their purposes, and that relationships between different groups of people connected to it are working as well as they can.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

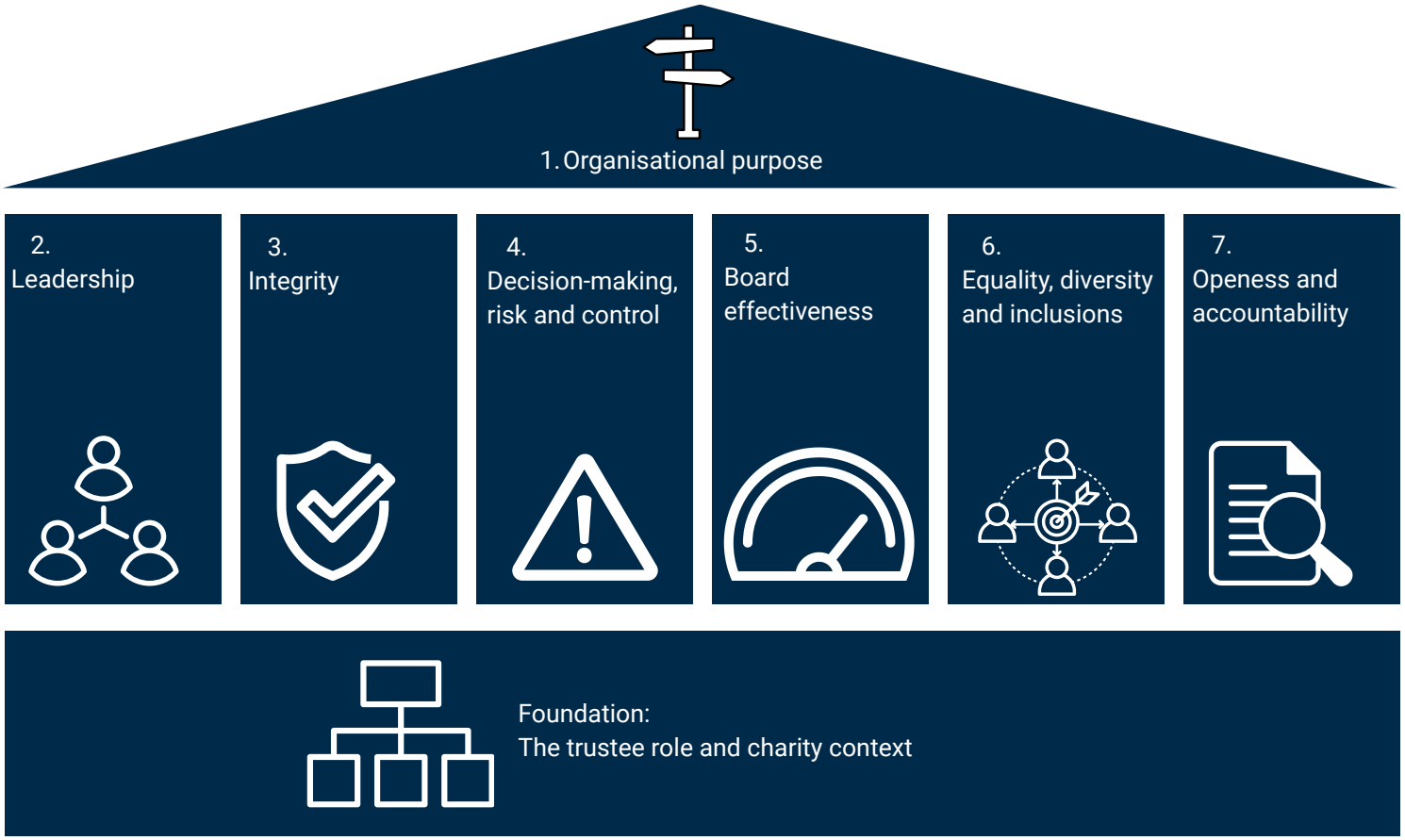
Many groups do this by referring to the 'Charity Code of Governance' – this is a checklist developed by a collaboration of different charities, community groups, and others, to agree what the core things are that any group should be able to evidence about how they work and what they should be doing as part on how they manage themselves (but in recognising that every community is different, not how individual groups should design and adopt their own specific practices that reflect their own circumstances). In doing so, groups can be assured that they are being led in the best way, that they are most credible when delivering their work, and are appropriately accountable to their community and others.

This code is not mandatory to adopt, but is recognised as 'good practice' for any club wishing to more clearly evidence its commitments and adherence to good governance practices. It is also not the only type of code that social economy groups and clubs can choose to adopt, but it is the most flexible with regards to all types of groups (and other legal forms) who are seeking to benefit their local community.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

The Code is based on a set of 7 themes:



The Code states several things under each theme that any group should be able to 'point to' in how it works, to assure itself (and others) that it is working in the best possible way.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

The foundation of this, is that people understand what the role, rights, and responsibilities of a being a Trustee, member of Management Committee, or Director are.

Broadly, these are:

- To agree the future direction of the group and protect its purposes (setting strategy);
- To agree how the group should behave day to day (agreeing policies);
- To recruit and manage/support any paid staff and volunteers (delegation – the Board do not automatically need to everything that needs doing in how the group works);
- To make sure that the group is working as it should do, and that it is keeping to any laws that apply to it (ensuring monitoring and compliance).

The Code then defines the groups purpose as being critical in helping ensure the people leading it have an agreed shared focus for how they approach making decisions and plans.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

The following sections can then be approached in any order:

- Leadership is about ensuring that the Board are ‘strategic’ in their thinking and decision making (spending their time focussing on ‘big picture issues’, not ‘day to day matters’);
- Integrity is about being clear what the groups values are, and how it recognises and protects people’s trust in its work;
- Decision-making, risk and control is about making sure that the Board get the information they need to make the right decisions at the right time;
- Board effectiveness is about making sure that the people in the Board can work together well, and all make best use of each others’ skills, knowledge, and experience;
- Equality, Diversity, and Inclusion is about making sure EDI is embedded across everything the group does, and how it works;
- Openness and accountability is about being suitably transparent in how the group works, as part of respecting and protecting the trust that others have in it.

GOVERNANCE STRUCTURE OF A CLUB

ENGLAND HOCKEY

FURTHER RESOURCES

NCVO - https://www.ncvo.org.uk/topic/governance/#/

ACEVO - https://www.acevo.org.uk/support/good-governance/

NACVA - https://navca.org.uk/resources

Charity Governance Code - https://www.charitygovernancecode.org/en/front-page

Community Interest Company Code of Governance https://www.voscur.org/resources/governance-community-interest-companies-practical-framework

Companies House https://www.gov.uk/topic/company-registration-filing/starting-company

CIC Regulator https://www.gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies

Charity Commission https://www.gov.uk/set-up-a-charity

Financial Conduct Authority https://www.fca.org.uk/firms/register-mutual-society

HMRC https://www.gov.uk/log-in-register-hmrc-online-services/register