

Preparatory work for an update to the Society Constitution to cover the unlikely eventuality that the Society should wind up.

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Members please note:

It is a Charity Commission requirement that every registered charity has a Windup and Dissolution clause within its' constitution. This exercise is being carried out in order for the National Chrysanthemum Society to comply with this requirement. It is purely an academic exercise to get the 'paperwork' in order - **the Society is not in any danger of winding up.**

Discussion paper

Premise

Handing over N.C.S. assets to the R.H.S. (or other similar charitable body), while perhaps ultimately inevitable, does not have to be either immediate or final.

Conditions that might cause dissolution

1. Membership drops to a level that makes the Society unsustainable.
2. The Society is unable to find sufficient members to fulfill the requirements and roles of the Executive and Management committees.
3. The Society is unable to find individuals to fill a number of key positions e.g. Shows Manager, Membership Manager, Publications Manager.

There may also be other conditions that could cause dissolution.

Role of Regional Groups

In the event of dissolution it is very likely that one or more regional groups will continue to function beyond the demise of the parent body. The aims and objectives of the groups are consistent with those of the parent body and they should be given every opportunity and encouragement to continue to promote the chrysanthemum.

One potential obstacle that regional groups may face is their charitable or non-charitable status. The Scottish Group is a registered charity (in Scotland), whereas other groups may or may not be registered in this way.

Background to this page

This web page contains the details of a proposal for managing Society assets in the event of dissolution.

In the absence of any other proposal the Executive Committee requested that this discussion paper be converted into a presentation for Members to discuss at the A.G.M., March 2008.

After considerable debate Members present at the A.G.M. gave a clear mandate to the Executive that this is the solution they want to see implemented for the handling of Society assets in the event of wind up.

What will happen next?

Executive Committee will develop the wording of changes to the N.C.S. constitution for Members to vote on at the A.G.M. 2009 and ultimately embody these proposals within the constitution, if approved.

In order for the following proposals to be consistent with Charity Commission guidelines it is essential that each regional group should become an individually registered charity.

Primary objective of these proposals

The primary objective is to ensure that all assets remain within the chrysanthemum movement for as long as possible and are not relinquished too readily.

How can this be achieved?

1. As stated above, encourage each regional group to become a registered charity.
2. In the event of dissolution all remaining (functioning) groups will be allocated a share of the assets on the basis of number of national society members (within each group) at the end of the year prior to the year in which the National Society is wound up.

Groups will be required to place their allocation from Society funds into an investment trust separate from other Group funds and be will permitted to use the annual interest to further the Group's activities and promote the chrysanthemum. This arrangement is of significant importance as it gives the parent body the opportunity to reclaim the original funds in the event of re-formation and prevents misuse of the fund.

Introduce a 'cascade' mechanism

It will be necessary to ensure that all groups have appropriate dissolution clauses to ensure on their dissolution the N.C.S. legacy is shared among any remaining (viable) groups in the same way as the original distribution of funds.

Only when the final group is faced with dissolution should the remaining N.C.S. assets be passed to the R.H.S. in trust for the promotion of chrysanthemums.

Who will administer this procedure?

This may not be an easy question to answer. Possibilities include:

1. Development fund trustees.
2. A committee of former officers and members.
3. An independent professional such as accountant or solicitor.

The problem with the first two suggestions is longevity of the individuals concerned. The problem with the third option is likely to be costs.

Executive Committee will formally notify all Groups of the proposed solution and what it means for them.

Members will be kept informed on progress on this issue via updates in regular publications and on the Society website.

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Formula for distribution of assets

This formula is based on the paid members figures at the year end prior the the year in which wind up takes place. The idea is to arrive at a method of distribution that is relatively simple and transparent.

All figures are fictitious and for the purposes of illustration only.

	Northern Group	Midlands Group	Scottish Group	Welsh Group	Western Group	Southern Group	Society Total
End prev year	400	100	10	40	50	200	800

Calculation of Group share

Total assets/Society membership headcount (800) = amount per member

Group share = Group membership * amount per member

E.g. Northern Group share = 400 * Amount per member

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(February 2008)

If you wish to comment publicly on the above you can do so in the Discussion Forum, click this link => [Chrysanthemum Discussion Forum](#)

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