



Sandringham Enterprise

The Sandringham Enterprise Centre Limited
A Charity registered in the U.K. Charity No. 1142804

A Company Limited by Guarantee in England & Wales
Company No. 7424061

April 2012

Annual General Meetings (AGMs) – Charity Commission Guidance to Trustees

Do all charities need to have an AGM?

80. No, not all charities have members or need to have an AGM. The governing document should be checked to see if an AGM is required. A charitable company is only required to hold an AGM where stipulated in its articles of association. If the governing document does not require an AGM, the charity trustees may wish to call one (perhaps calling it a users' meeting to avoid any confusion with a formal AGM).

81. Whether the charity is required to have an AGM or simply organises a users' meeting, the charity trustees are only bound to act on decisions taken by the members where the governing document directs that those matters have to be decided at such a meeting. It is important that charity trustees are clear about the status and purpose of the AGM and that this is clearly communicated to those attending.

What is the purpose of an AGM?

82. The aim of the AGM is to provide the charity trustees and/or officers the opportunity to explain their management of the charity to the members. It also provides the members of the charity with an opportunity to ask questions before voting on business items on the agenda.

83. A charity's AGM is held once a year and members of the charity can attend and vote. The governing document will state when it must be held. This may be in a particular month or within a certain period after the end of the financial year.

84. The business that must be considered by the AGM will usually be specified in the governing document or by underlying legislation. However, the charity trustees can include any other additional items of business they feel appropriate.

Potential problems

85. Although the majority of AGMs run smoothly, we recommend that, prior to the AGM, the charity trustees consider whether they need to establish procedures for dealing with disputes at the meeting. This could include:

- details of the point at which the meeting should be adjourned;
- guidance to members on conduct required in relation to contentious issues; and
- how to fill vacant posts (for example, the circumstances in which it will be appropriate to accept nominations for officers or other committee members from the

floor either in addition to, or in place of, nominations made in advance of the meeting).

Calling an AGM

86. Unless the governing document states otherwise, the notice of the AGM will need to be sent to all the members of a charity and to any other people entitled to receive them. Some charities may be required to have an AGM or users' meeting but not have a membership (for example, a village hall charity). In these cases, the instructions in the governing document about advertising the meeting must be followed. The governing document may state the number of days notice that must be given for calling an AGM. If it does not, reasonable notice should be given (see paragraph 93 below).

87. We recommend that copies of the charity's Annual Report and accounts are either sent to each member, or made available at the venue prior to the start of the meeting (a company must send copies to all of its members). Anyone can by law request a copy of the accounts from the charity at any time. The charity is entitled to charge a reasonable fee for this.

88. The governing document may specify the information to be contained in the notice calling an AGM and company law imposes certain requirements in this respect. In all cases we recommend, as a minimum, that the notice calling the AGM sets out:

- the date and time of the meeting;
- the venue;
- the details of the business to be considered (which will probably be mandatory items at this stage as members resolutions may not have been received);
- an invitation to propose resolutions; and
- if appropriate, requests for nominations (or the names of proposed nominees) for officers to be elected.

89. The charity trustees may wish to include additional information such as how to vote, how to get to the venue, how to make resolutions and when these should be sent to the charity. It is important that the charity makes it clear to members how to get an item onto the agenda for a general meeting.

90. In order to make sure that all members receive the information, we advise charities to maintain an accurate and up to date list of members.

91. Charities with a website may, in addition, wish to put a copy of the notice on their site.

92. When arranging the AGM we recommend that charity trustees:

Send out the notice of the AGM together with the relevant documents at least 21 clear days in advance of the meeting. In order to achieve this the notice should be sent out at least 20 working days beforehand.

Satisfy themselves that the place where the AGM is held is easily accessible for all members.

Establish what facilities should be provided to allow for full participation by all those

attending (eg a creche or special facilities for people with disabilities).

Check that the notice and any proposed resolutions are drafted in plain language. This will ensure that there are no misunderstandings over any matters being proposed. If you have a multi-lingual membership, you may need to draft the notices and proposed resolutions in the appropriate language(s).

Give the full names (whenever possible) of the officers or charity trustees that are standing for election (or re-election), in the notice of the AGM. A brief description of the person seeking election should also be enclosed. This may cover their relevant expertise, the dates they were first appointed to the trustee body and so on.

We recommend that, to create a clearer record and promote the independence of each trustee, the election/re-election of each trustee is the subject of a separate resolution.

Who can attend an AGM?

93. The governing document will usually state who can attend and vote at an AGM. For a charity with a membership there may be different voting rights for different types of members. We advise charities to maintain an accurate and up to date list of members. It can lead to criticism from the membership or challenges to decisions taken if any current members are not invited to the AGM due to incompetent record keeping. It may even lead to the organisation having to call an EGM or SGM (see paragraph 98) to rectify the situation.

94. Even if members have been contacted individually, we recommend that the charity trustees consider if wider publicity is appropriate. For example, placing an advertisement in a local or national newspaper, or displaying a copy of the notice on a local notice board or in the local library or shop. Extra publicity not only helps to ensure that members are aware of the meeting, but may encourage interest from the public or potential donors. Where there is no formal membership, general publicity is very important if the charity wishes to maximise attendance at the meeting.

95. The charity trustees may wish to invite professional advisers such as the company's accountants or solicitors to the AGM. Unless they are also members they will not be able to vote at meetings. Some members may have carers who need to attend with them: again, if the carer is not a member, they cannot vote.

During the AGM

96. To help the AGM run smoothly we recommend that charity trustees adopt the following points of good practice:

- all charity trustees and members of senior management attend the AGM;
- charity trustees are seated facing the members;
- the Chair does not propose his or her own (re)election;
- any individual charity trustee does not propose, second or advocate a resolution in which she or he has an interest;

- the Chair allows sufficient time for members' questions during the meeting;
- the Chair explains the effect and purpose of each proposed resolution before putting it to a vote and whether the decision of the AGM is binding on the charity trustees;
- members who have put forward proposed resolutions are entitled to draft and have circulated with the notice of the meeting an explanation of their resolution (subject to it being a reasonable length) and any other supporting documents;
- the Chair allows an opportunity for the proposer of any resolution to address the meeting.

Minutes

97. We recommend that charities make the minutes of the AGM available to the public on request: they may charge a reasonable fee to cover the cost of making them available.

Extraordinary and Special General Meetings (EGMs and SGMs)

98. EGMs and SGMs are held for the consideration of non-recurring business that requires approval by the members between AGMs. Whilst these will often be called by the charity trustees to transact business such as alterations to its governing document they may also be requested by members. SGM is an equivalent term sometimes used by unincorporated associations.

99. Members can ask the charity trustees to call an EGM if they feel that the charity trustees are not fulfilling the charity's aims and objectives, or where they feel the charity is not being administered effectively. The members can use an EGM to seek explanations from the charity trustees for a course of action, or encourage fuller discussion on an issue. The governing document will usually set out the number of full members required to request an EGM, and how this should be done. If the request is properly made, the charity trustees cannot refuse (if they do, the members can usually call the meeting themselves).

100. For a charitable company, company law provides that a general meeting can be requested by 5% of those entitled to vote at such a meeting. If the directors fail to call a properly requested meeting, the members have a statutory right to call the meeting themselves.

101. If the governing document allows for an EGM, but does not state how this can be called or requested and there are no standing orders or other rules which contain this information, the charity trustees are advised to contact the Commission for further guidance.

Who can attend an EGM?

102. The same people who are allowed to attend an AGM are usually entitled to attend an EGM. The governing document should be checked for any differences.

103. The ability to call EGMs underlines the importance of keeping up-to-date membership records as a meeting can be called at any time.

During the EGM

104. The business of the EGM will be detailed in the notice. Examples of items to be dealt with at an EGM include:

- alteration of the governing document;
- winding up the charity;
- merging the charity with another or others;
- discussion of an issue brought by members.

Sandringham Enterprise
April 2012



Appendices that follow:

1. AGM Checklist – Brighton Resource Centre
2. Annual General Meeting – guidance from CVS Fife

What is an Annual General Meeting?

An Annual General Meeting, commonly referred to as an AGM, is a formal meeting which is held once a year. It is a legal requirement for voluntary organisations that have company status. It is good practice for charities to have an AGM to act as a review of the year and deal with issues such as the election of committee/board members and reviewing the annual accounts. Each individual organisation should have a section of its Constitution which deals with AGMs, and this gives guidance as to how the AGM should be run and what matters should be dealt with. Although it is a formal meeting, it can also be a good opportunity to communicate with members, clients, partners and other interested parties.

Timing

Again, each organisation should find guidance in its Constitution regarding when an AGM should take place. It does need to take place following the end of your financial year when accounts have been audited.
Committee/Board Nominations.

Your Constitution should also give guidance on electing committee or board members. It is advisable to ask for nominations before the AGM, which should be proposed and seconded. Check whether your constitution has rules about who is allowed to stand as a committee or board member.

Publicity and Invitations

It is usual for organisations to be required to give advance notice of the AGM. Your Constitution may state that this notice needs to be made public, e.g. through the local newspaper, and by writing to members 21 days prior to the event. A copy of the agenda (see below) should be sent along with the invitation. Committee and Board members should attend, and normally staff and other volunteers are encouraged to attend. Invitations may also go out to clients, and local decision-makers as appropriate.
Venue

The venue needs to be as accessible as possible. Try to find out beforehand if attendees have particular requirements, e.g. wheelchair access, translation services. It is useful if the venue has a microphone.

Running the AGM

The AGM is normally conducted by the Chair of the organisation. Minutes of the meeting should be taken by the Secretary. A typical AGM agenda will cover the following items:
Opening remarks/Welcome
Apologies
Minutes of previous AGM
Matters arising from the Minutes
Presentation of Annual Report (Chair/Secretary)
Adoption of Annual Report
Presentation of Accounts (Treasurer)

Adoption of Accounts
Appointment of Auditors/Independent Examiner
Election of Management Committee/Office Bearers
Motions to be put to the AGM
Any Other Competent Business
Closing remarks

More details on each of these headings are available below.

Apologies

Apologies from individuals who have been unable to attend are read out and recorded.

Minutes / Matters Arising

It is usual to place copies of the minutes, the annual accounts and any other papers, on the seats of those attending, if it has not been possible to send them out beforehand. Matters arising from the minutes should be taken in the order they appear. In some cases the Chair may ask that matters arising be dealt with during the course of the meeting. The minutes of the previous AGM should be formally adopted by a proposer and a seconder, whose names should be recorded.

Presentation of Annual Report

The annual report can be presented by either the Chair or the Manager/ Coordinator. It should give an overview of the main achievements of the year. The new Charity Regulations give specific guidance on the required content for annual reports in relation to Registered Charities.

Presentation of Accounts

The accounts are presented by the Treasurer. It is usual for copies of the accounts to be given to those attending. The Treasurer will highlight some of the figures in the accounts, explaining any that need explanation, and give a general overview of the financial position of the organisation. It is usual for them to thank the auditor/independent examiner if appropriate.

Auditor or Independent Examiner?

An audit by a registered auditor is required:

If the organisation's gross income, or expenditure in the current or preceding two years is in excess of £500,000 (this applies both to Charities with Company status and to Unincorporated Charities – that is Charities that don't have any other legal form apart from Charitable Status)

If there is a requirement in the organisation's constitution

If the voluntary management committee choose to appoint one

If none of these requirements apply, the organisation may only need to have its accounts examined independently. This does not have to be carried out by a registered auditor and is not usually as expensive. However, Charity Law in Scotland now has certain requirements regarding who is eligible to act as an independent examiner, depending on whether your organisation's accounts are kept in the Receipts and Payments format or are fully accrued. For more details, please consult OSCR's guidance booklet on Independent Examination.

If there is a requirement for a full audit, the audit must be undertaken by a registered auditor i.e. someone who is a member of a professional organisation that registers auditors. If your organisation is a constituted community group that does not have Charitable or Company Status, then an independent examination should meet your requirements. In this case, an independent examiner can be any independent person who the committee believe has the ability and experience to examine the accounts such as a banker, business person, or accountant. It should not be carried out by a member of the committee.

Appointment of Auditors

If an organisation is happy with the performance of its auditors it is usual to move for adoption of the existing auditors. If for some reason there is to be a change of auditor, this can be arranged by the committee during the coming year.

Election of Management Committee/Office Bearers

The constitution will provide guidance on the election of committee or Board members, including the length of time they should serve. Each individual wishing to stand needs to have a proposer and a seconder.

Voting Procedure

Check your constitution to find out who is eligible to vote at the AGM. If the constitution does not provide clear guidance on what to do in the event of a tie, then it is usual practice for the Chair of the organisation to have a casting vote. The existing committee need to be clear about voting procedures as laid out by the constitution before attending the AGM.

Motions to be put to the AGM

A Motion to be put to an AGM should usually be received by the organisation an agreed time before the AGM, so that it might be included with the papers sent out to those attending. Some organisations do not allow motions to be put at the AGM on the spur of the moment. Motions may take a number of forms. There may be a motion to petition the Scottish Parliament, or the local authority; in support of the actions of another organisation; to change the direction of the organisation or increase/limit the extent of its work.

Amendments

Any proposed amendments to the constitution are also discussed at the AGM. These have usually been discussed by the present committee and the Chair may wish to take a few moments to explain why the Committee believe that the change is needed. Amendments are often made to update the constitution in the light of new legislation or new circumstances. When the motion or amendment has been presented a vote will take place.

Any Other Competent Business

Some organisations choose not to include this on the agenda. AOCB can double the length of a meeting and throw up many unexpected questions and comments. On the other hand, it can be a useful opportunity for those who are involved with, or interested in your organisation to have their say.

Conclusion of Business

The meeting is formally brought to a close by the Chair.

If you are a registered charity, you should follow the regulations concerning the Trustees Report and Accounts. Please see our information sheet 'Charity Reports and Accounts'

If you are a registered charity, you will need the approval of the Charity Commission to amend your constitution.



AGM Checklist

Organising your Annual General Meeting

What is the purpose of an AGM?

- H To allow your members to hear reports from the Committee on the achievements and work of your group over the year.
- H To elect the Committee for the next year.
- H To make any changes to the constitution.

Check your constitution for any regulations about your AGM

For example:

- H How often do you have to hold AGMs?
- H How much notice are you required to give of the meeting?
- H Who do you have to notify about the meeting?
- H Do you have to send the notice of the AGM to your members' homes?
- H How many people have to be at the meeting to make it official? (This is called the *quorum*.)
- H Do the group's accounts have to be examined (audited) before the AGM?
- H Do nominations for new committee members have to be taken in advance or can you take them at the meeting? (It is usual to have a proposer and seconder for each nomination.)
- H How much notice is required if anyone wants to propose an amendment to the constitution?

Venue, date and time

- H Set a date and time, and the length of the AGM.
- H Book the meeting room.
- H Think about whether the room is accessible to all your members – e.g. could a wheelchair user attend the meeting?
- H Ensure that the room will be big enough to accommodate a minimum number of people.
- H Think about the health & safety of your members – e.g. where are the fire exits?
- H Think about organising refreshments.

Contact the Resource Centre
to arrange production
of your leaflet

AGM Checklist

Notice of meeting

- H **Produce a notice giving details about the AGM & mail to all your members.**
- H **This should include date, time, duration and venue, and that elections will be held.**
- H **You may want to include the whole agenda or just highlight one or two items.**

The agenda

- H **Your AGM agenda should include certain items – use the sample agenda below as a starting point.**

**Annual General Meeting
of
Brighton & Hove
Pigeon Fanciers Association**

Thursday 20th October 2010
7.30 to 9pm

East Brighton Community Centre
(small hall)

Agenda

1. Apologies for absence
2. Minutes of previous AGM
3. Chair's report
4. Secretary's report
5. Financial report
6. Election of committee

See our information sheet
'Taking Minutes'
for more guidance.

Minutes

- H **Organise someone to take minutes of any decisions made at the AGM. It is particularly important to have clear records of the elections and any changes to the constitution.**
- H **Take down the names and contact details of people attending the meeting so you can contact them afterwards – e.g. get people to sign in as they turn up to the AGM.**



LOTTERY FUNDED

The Resource Centre will prepare and examine your end-of-year accounts if you are one of our priority groups. Please ask.

If you are a registered charity, you must have your accounts examined by a Charity Independent Examiner – the Resource Centre may be able to do this for you. For details of accountants, please search the Beachcomber database on our website or ring the Centre.

You can also visit www.supportforgroups.org.uk/moneyinmind for more information. on help with your group's accounts.

An induction loop or an infra-red hearing system makes sound clearer for people using hearing aids. The Resource Centre has portable ones you can borrow, as well as a small PA system

AGM Checklist

Accounts

- H You will need to present a report on your finances for the year to your AGM.
- H Do you need your accounts examined by an independent person before the AGM or will you just have a report from your Treasurer?

Elections

- H Decide on your voting system in advance and make sure it is explained clearly at the meeting.
For example: Do you want to have a show of hands or a private ballot? Will it be a 'first past the post' election?
- H You may want to arrange a neutral person to count the votes.
- H Think about the materials that you might need to prepare in advance – e.g. ballot paper/pens – depending on how you organise the elections.
- H Make sure the minutes show who was nominated, the proposer and seconder for each candidate, the number of votes each person received, and who was elected for each post.

Other tips & ideas

- H Try to make the meeting enjoyable – think about making the business brief, followed by a social with wine or refreshments.
- H Have a speaker on a burning issue.
- H Organise a raffle.
- H Have someone welcoming people at the door.
- H Introduce the present Committee.
- H Think about providing a crèche or organising babysitters.
- H It may encourage people to come if you offer to pick them up or meet them outside.
- H Think about having a loud speaker system or an induction loop.