

GOVERNANCE OF MAIDENHEAD ROWING CLUB

The processes of governance are influenced by the decision, made at the time that the current clubhouse was built, to form a limited company owned entirely by the club members, that would pay for the building of the clubhouse and for other capital expenditures, such as boat purchases. Consequently it owns those assets. This arrangement provided and continues to provide significant cash-flow benefits to the club as a whole.

The limited company, Maidenhead Rowing Club Limited (Ltd) is a distinct legal entity, separate from Maidenhead Rowing Club (Club) but permanently bound to it by its membership. It is subject to the Companies Act regulations and to its own constitution as set out in its Memorandum and Articles of Association. However, the important factor to bear in mind is that Ltd is controlled by the members of Club in the same way that Club is controlled by its members. Put another way, the members of Club can change the constitution and the Committee of Club at any time by majority vote at a general meeting and they can do the same as regards the constitution and Board of Directors of Ltd.

The principal matters that are the responsibility of the elected Officers and Committee of Club include the collection of membership income, rack hire income and other rowing-related income and its expenditure on rowing activities. Club manages all aspects of membership and rowing activities.

The principal matters that are the responsibility of the elected Board of Directors of Ltd are the commitment of funds for the purchase of boats and related equipment and any capital expenditures on boat storage, rafts, bank works and the clubhouse. Also included is the responsibility to ensure that those assets are properly maintained and insured. The revenues from the bar and from hire of the clubroom for external meetings and social events also flow through Ltd because it is tax-effective to do so. Under tax rules, Ltd is required to make a charge to Club for the use of the facilities on its books; this enables Ltd to cover its annual operating costs and make a nominal profit. Its capital expenditures may require funding in whole or part by loans from Club.

With regard to expenditure on boats, the total annual budget for boat purchases is determined by the Board, on advice from its Steering Committee, and the Club Committee is responsible for determining how that budget is spent.

The constitution of the Club includes a section (No:15) which summarises its relationship with Ltd. It recognises that the Board of Directors of Ltd is responsible for appointing a Steering Committee (SC) of Ltd that advises the Board on how best to discharge its duties to manage the matters set out in the previous paragraph, in the best interests of the club as a whole.

The Club constitution states that the SC “should comprise the President, Captain, Honorary Treasurer and Honorary Secretary of the Club together with the Secretary of

the Company and three experienced senior members of the Club, all of whom shall serve in an unpaid capacity”.

The practical effect of this is that four of these people are appointed by the club members and four are appointed by the Board of Directors. This balances the SC membership and ensures that the views of the Club committee are equally represented at SC meetings.

It has also been agreed that members of the Club should be able to recommend to the Directors, for their consideration, the names of ‘experienced senior members’ who might be appointed to the SC by the Directors. Normally, this would run in parallel to the process of nominating candidates for the Club Officers and Committee before each annual general meeting. As it is important that the SC maintains appropriate continuity of its strategic overview, it has been agreed that the ‘experienced senior members’ should each serve for three years, with one retiring each year (with the possibility of re-appointment).

As both the Club Committee and the Board of Directors of Ltd share a common set of objectives (as set out in Section 2 of the Club constitution and in the constitution of Ltd), it is clearly in the best interests of the Club Committee and the Ltd’s SC to reach consensus on all significant matters of policy and financial commitments. If that does not work, then either can appeal to the members of Club to resolve the matter by changing the membership of the Club Committee or the Ltd Board of Directors. By the same token, if the members of Club become dissatisfied with the conduct of the Club Committee or the Board of Directors or SC, they can call a general meeting and make the changes to the membership of those bodies that the majority wish to see.

Ultimately, power lies with the members of Club to appoint and remove Club officers and members of the Club Committee and members of the Board of Directors. Through such actions, members of Club can cause the membership of the SC to be changed. This sanction provides the incentive for these three bodies to work together to achieve sound and workable consensus on all matters that are important to the current and future well-being of the club as a whole.

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