



ST. PETERS RUGBY FOOTBALL CLUB

MEMBERS OF WELSH RUGBY UNION

GLAMORGAN COUNTY RFC – EAST DISTRICT RU – CARDIFF & DISTRICT RU

Dear Members,

10th September 2012

Incorporation of St. Peter's Rugby Football Club ("the Club")

I have been instructed by the Management Committee following the vote taken at the EGM on Saturday 8th September 2012 to confirm that Members gave unanimous approval for the incorporation of the Club as an Industrial and Provident Society ("Society") and the adoption of a new set of Club rules. Our incorporation is a crucial next step in the development of the Club. This change of status follows advice from our lawyers. There will be no noticeable differences in the way the Club is run for all its Members.

I have discussed below the brief background to this, the form of the proposed new constitution and the effect which incorporation will have on the Club.

1. Reasons for Incorporation.

Up until the 8th September 2012 the Club was an unincorporated association in which there was no limit on the personal liability of Members of the Committee and, potentially, Members of the Club for the debts and other liabilities of the Club. The Club's decision to build a new clubhouse facility has meant that commercial contracts had to be entered into and an asset of potentially significant value now resides in our balance sheet. We have since been engaged in greatly increased levels of commercial activity in order to maximise the use of the facilities and accompanying revenues. The Club's operations can now be compared with an industrial or commercial business, carried on in a world in which liabilities and risks are themselves forever increasing.

The Club's activities are, of course, conducted with due care and judgement. The fact remains that if the Club's assets were not at any time sufficient to meet its liabilities, personal liability for the shortfall could attach to Members of the Committee and possibly, to all Members of the Club. Incorporation has removed this risk of personal liability (except in certain circumstances in which those managing the Club were to act irresponsibly). This was the main reason for incorporation.

Incorporation will have further benefits. It will provide greater flexibility in the acquisition and disposal of assets for the Club, it removes the personal liability of Members for the repayment of borrowings, provides a more efficient governance structure and is more acceptable to third-parties with whom we do business.

You may be aware that there is a developing trend towards incorporation of sports clubs. Indeed, both the WRU and Rugby Football Union actively encourage clubs to adopt this position rather than continue to operate as unincorporated Members' associations.

Grounds

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Club Colours EMERALD and BLACK



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2. The proposed new structure

The Club has now become a separate legal entity (i.e. the Society) which will hold all of the assets previously belonging to the Club and held by the Trustees and be responsible for all of the liabilities.

Conversion into a Society involves the adoption of some new Club rules which reflect the requirements of the legislation applicable to the Society. In drafting the rules, our legal advisors have relied heavily on those adopted by clubs such as Glamorgan County Cricket Club who have been through the incorporation process. We have also studied the Rugby Football Union model and have discussed the matter at length with the WRU.

Major Changes: The proposed rules to be adopted by the Society will be available, upon request, from the Club Secretary and can be e-mailed to Members as well as being posted within the Clubhouse. Some of the key features of the new rules are as follows:

Share Capital: To comply with the requirements of a Society, Members will become shareholders and in line with other sports clubs it is proposed that each Member should hold no more than one share having a nominal value of 5p. There is no proposal to pay any form of dividend on these shares and in the (hopefully unlikely) event that the Club is wound up any surplus assets will be distributed to the Welsh Rugby Union or a successor body.

Committee: The Annual General Meeting which preceded the EGM on 8th September 2012 established the newly elected Committee members.

Membership of the Committee: As under the existing rules, Membership of the Committee will be for a one year term with all Members retiring at the end of the first year in order to facilitate annual rotation. Retiring Members of the Committee will be eligible for re-election.

The proposed new Rules have been drafted in the best interests of the Club and your Committee wishes to express its gratitude for your unanimous support for this important change of status.

Yours sincerely

Terry Thompson
Hon Secretary

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