

Holding Annual Members' Meetings and Submitting your Annual Return

**How to conduct Society business
during Covid-19**

Tuesday 28th April 2020

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Our Agenda for the Day

1. Committee Responsibilities
2. Member Communications!
3. Annual Accounts
4. Members Meetings
5. Committee Meetings and Decision Making
6. Filing the FCA Return
7. Other Society Business
8. Using Technology
9. Q&A



Committee Responsibilities

9.3 The Society has the power to do anything which appears to it to be necessary or desirable for the purposes of or in connection with its Objects.

- Be guided by your rules
- Recognise that meeting your objects and community benefit purpose may have changed and developed as a result of Covid-19

2.6 Subject to the Rules, the Management Committee manages the affairs of the Society and may exercise all of its powers.

2.7 The Management Committee is collectively responsible for everything done by or in the name of the Society

Member Communications

Good, effective member communication is the vital key to managing Society business effectively during the lock-down

- Keeping members informed
- Getting feedback
- Ensuring buy-in for difficult decisions



Annual Accounts

Guidance

- If you can, prepare your draft annual accounts as normal ready for your audit process – whether full audit, accountants report or lay audit
- Speak to your accountant if you identify any potential issues – for example:
 - Physical stock counts no longer possible
 - Stock that can no longer be sold
 - Access to records difficult in the current circumstances.
 - Non-availability of the Treasurer due to self isolation or illness.
- Ask your membership for specialist support – everyone wants to help if they possibly can.

What the Rules Say

- 6.1 In respect of each year of account, the Management Committee shall cause Annual Accounts to be prepared which shall include:
 - 6.1.1 **a revenue account** which deals with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year; and
 - 6.1.2 **a balance sheet** giving a true and fair view as at the date thereof of the state of the affairs of the Society.
- 6.5 The Management Committee shall present the Annual Accounts and reports of the business and affairs of the Society to the **Annual Members' Meetings.**

Members Meetings

Guidance

- It is a rules requirement to hold an annual meeting
- Two options:
 1. Re-schedule for later in the year
 2. Conduct the meeting electronically

What the Rules Say

- Section 4
 - Every year, the Society shall hold an Annual Members' Meeting, within six months of the close of the financial year.

Delaying the Meeting

- Guidance
- Member buy-in essential – explain your thinking
- Ask the members!
- Set a new date and venue now, even though that might need to change again
- Prepare the agenda and content ready for use



TECHNICALLY, A BREACH OF
THE RULES!



NOT AN FCA ISSUE – PURELY
AN ISSUE FOR MEMBERS AND
THE COMMITTEE

Holding a Members Meeting Electronically



Guidance

- Electronic Meetings becoming the “norm”
- Take account of members without digital skills:
 - Proxy voting
 - Postal voting
 - Joining by phone
 - Mailing of physical documents

What the rules say

Rules assume a physical meeting but do not expressly mandate this

Rules do state that Committee Meetings can take place electronically

Committee Meetings and Decision Making



Guidance

- Conduct all meetings electronically – via telephone conference or a digital meeting platform.
- Note any urgent material decisions taken as a result of the crisis and formally minute at the next regular meeting
- Make minutes available online and share key decisions with the members via newsletters etc

What the rules say

The Management Committee shall hold such meetings as it considers appropriate to discharge its roles and responsibilities.

Three members of the Management Committee shall comprise a quorum.

The Management Committee shall cause proper minutes to be made meetings of the Management Committee and of any sub-committees. *All such minutes shall be open to inspection by any Member at all reasonable times.*

Filing with the FCA

Guidance

- Plan to file your return within the 7-month window after the year end
- Register and use the online portal to submit your return
- Advise FCA if you are going to be submitting a late return
- Check FCA guidelines for other forms and procedures:
 - www.fca.org.uk/firms/mutual-societies

What the FCA says

- Submit your return or any other form via the [mutual societies portal](#)
- we accept electronic signatures on all applications – including on accounts.
- we no longer require statutory declaration forms (where requested) to be fully completed.
- Regulated firms due to submit now are allowed an extension to 30th June. No explicit guidance issued for Societies on website

Other processes

Guidance

- Ideally – business as usual
- Suspend capital withdrawals for a defined period – unless not an issue
- Note current FCA guidance on statutory declarations and signatures
- Note any changes requiring a vote of members will require a members meeting
- Apply government guidelines for processes such as documents, signatures etc

Good member communication vital!

Typical Processes

- **Capital withdrawals**
- **Rule amendments**
- **New Members**
- **Member access to documents**

Using Technology

- Lots of Tech out there!
- Don't overlook low-tech or no-tech options
- Keep it simple – unless you have the tech skills in your society
- Make sure you communicate with your members who "don't do digital"



In Summary

1. Member communications are the key
2. Aim to manage your Society in line with “normal” circumstances
3. Consult and let members know when you need to change
4. Apply common sense – lots of what we took for granted has changed!



Questions?

