**Tunbridge Wells Lawn Tennis Club Limited**

**Board Member Code of Conduct**

As Tunbridge Wells Lawn Tennis Club (referred to hereafter as “TWLTC” or “the Club”) is a Limited Company listed on Companies House, our volunteer Board members are Company Directors and therefore have specific duties related to their role. It is also registered as a Community Amateur Sports Club (“CASC”) which allows it to claim specific tax reliefs, and as such anyone concerned with its management needs to sign a Fit and Proper Persons declaration which will be made available to HMRC on request.

In addition, the Board members are expected to uphold the values of the Club: teamwork, integrity, excellence and passion, and ensure the club thrives by providing excellent facilities and coaching programmes for the enjoyment and benefit of its members.

This Code of Conduct provides details of the specific legal duties of Company Directors, in addition to the behaviours our Board members are expected to demonstrate in their roles.

**Section 1 : Legal responsibilities of Company Directors**

As a Company director, Board members are legally responsible for running the company and making sure information is sent to Companies House on time.

This includes:

* the confirmation statement and annual accounts\*
* any change in your company’s officers or their personal details
* a change to your company’s registered office
* allotment of shares
* registration of charges (mortgage)
* any change in your company’s people with significant control (PSC) details

These duties can be delegated to the Manager or outsourced to an agent who acts on behalf of the Club, however it is the Board member’s responsibility to ensure these duties are fulfilled.

\****Annual accounts*** must be submitted to HMRC within a certain timeframe, and if the accounts are late, it is the Board members who will be held responsible. A penalty is automatically imposed if the accounts are late. Depending on how late the accounts are filed, the fine may range from £150 to £1,500, which would normally be applicable to the Company, not the individual Board members. However, not filing your confirmation statements, annual returns or accounts is a criminal offence - and Board members could be personally fined in the criminal courts, and this action would be separate to any penalties issued by Companies House. If confirmation statements or annual returns are filed late, the registrar could take steps to strike off the Company.

**General duties**

Board members must perform a set of 7 duties under the [Companies Act 2006](http://www.legislation.gov.uk/ukpga/2006/46/part/10/chapter/2):

1. Company’s constitution

They must follow the Club’s constitution and its articles of association. These are written rules about running the Club, agreed by the Board members and the company secretary.

The constitution sets out what powers you’re granted as a Board member, and the purpose of those powers.

1. Promote the success of the company

They must always act in the Club’s best interests to promote its success. They must consider the:

* consequences of decisions, including the long term
* interests of its staff
* need to support business relationships with suppliers, customers and others
* impact of its operations on the community and environment
* company’s reputation for high standards of business conduct
* need to act fairly to all members of the company

If the Club becomes insolvent, the responsibilities of Board member will apply towards the creditors, instead of the company. A creditor is anyone owed money by the company.

1. Independent judgement

They must not allow other people to control their powers as a Board member. They can accept advice, but must use their own independent judgement to make final decisions.

1. Exercise reasonable care, skill and diligence

They must perform to the best of their ability. The more qualified or experienced they are, the greater the standard expected.

They must use any relevant knowledge, skill or experience they have (for example, if they’re a qualified accountant).

1. Avoid conflicts of interest\*

They must avoid situations where their loyalties might be divided. They should consider the positions and interests of the Club, to avoid possible conflicts.

They should tell other Board members about any possible conflict of interest, and follow any process set out in the Club’s articles of association.

\*A ***conflict of interest*** occurs when an [individual](http://en.wikipedia.org/wiki/Individual) (or [organisation](http://en.wikipedia.org/wiki/Organization)) is involved in multiple interests, one of which could possibly [corrupt](http://en.wikipedia.org/wiki/Corrupt) the motivation for an act in relation to the other. A conflict of private interest arises where a director has any interest which might influence, or be perceived as being capable of influencing, his or her judgement even unconsciously.

For example, suppose the board of directors of a company is discussing an investment in a property. One of the directors owns a neighbouring property, which has the potential to increase in value subsequent to the investment by the company. That director has a conflict of interest, as his judgement may be affected by his desire to see his own investment in his neighbouring property rise in value.

Other potential conflict situations include – multiple directorships, advisory positions with the company (e.g. an accountant to the company being a director as well) and being connected to a person who is or may be in a conflicted position.

This duty continues to apply if the person is no longer a Board member. They must not take advantage of any property, information or opportunity they became aware of as a Board member.

1. Third party benefits

They must not accept benefits from a third party that are offered to them because they’re a Board member. This could cause a conflict of interest.

The Club may allow them to accept benefits like reasonable corporate hospitality, if it’s clear there’s no conflict of interest.

1. Interests\* in a transaction

They must tell the other Board members if they might personally benefit from a transaction the company makes. For example, if the company plans to enter a contract with a business owned by a member of their family.

\*Directors can take advantage of section 185 of the Companies Act 2006, which allows them to give a general ***notice of interest in a specified company or business***, or of a specified person connected with them. Such a notice should be given at a board meeting. Declarations of interest should always be recorded in the board minutes.

Even once the board has authorised a conflict of interest, the director concerned is still under a duty to act in a way that they consider is most likely to promote the success of the club.

Where a director is not aware of an interest, or where the director is not aware of the transaction or arrangement in question, no declaration is required. For this purpose a director is treated as being aware of matters of which they ought reasonably to be aware.

**Other legal duties**

Other legal duties that must be performed by Board members include:

* not misusing the company’s property
* applying confidentiality about the company’s affairs

**Guidance webinar**

If you would like to know more about the statutory duties of a Director, you can access this short webinar made by Companies House: <https://youtu.be/nbl_i7jp81U>

If there is a breach of these Director duties, the Company can take action against a director for any such breach of this duty and seek damages, compensation or an injunction. Any failure to disclose an interest in an existing transaction or arrangement with the company also carries the risk of criminal fine (this is covered under duty no. 7 above).

**Section 2 : General Code of Conduct for Board Members**

In addition to the statutory duties detailed in Section 1, all Board members are also expected to abide by the General Code of Conduct as follows:

1. Commit to upholding and acting in accordance with the values and objectives of the Club;
2. Adhere to high ethical standards in all matters;
3. Act at all times within legislation applicable to the functioning of the Club, business and employment, and seek professional advice should there be any uncertainty about obligations and liability;
4. Give adequate time and energy to their duties;
5. Constructively contribute to discussions about the Club’s long-term strategy;
6. Ensure safeguarding is considered in all decisions regarding Club activities;
7. Ensure all Board level discussions are kept confidential, as required, and comply with data protection regulations, including:
	1. Storing any personal data about individuals securely within the Club’s IT systems;
	2. Returning any personal data (emails, documents and files) about members or staff members when resigning from the Board and deleting any documents from any personal devices;
	3. Always using the Club IT systems when dealing with Club matters;
	4. Ensuring the Club complies with all its duties in relation to data protection in accordance with the GDPR and Data Protection Act 2018
8. Adhere to established and agreed lines of communication with staff, via the Club Manager;
9. Assist with inducting new Board Directors or senior staff as requested;
10. Act with respect and courtesy to fellow Board members, club members, staff and suppliers and develop positive working relationships;
11. Respect that the position of Board member results in access to confidential information not in the public domain, and at no time use this access for personal gain, financially or otherwise;
12. Demonstrate The Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
13. Refrain from any actions (at and/or outside Club activities) which could reasonably be expected to bring the Club and its activities into disrepute;
14. Commit to attending 75% of all Board meetings in person when possible (exceptional circumstances will be considered by the Chair);
15. Treat all staff fairly and equally and not provide any personal benefit to any staff member;
16. Act in a way which creates and maintains a culture of inclusion and equality of opportunity, in accordance with Club policy;
17. Lead by example and comply with all Club rules and regulations in place at any given time;
18. Complete the declaration of being a "Fit and Proper Person for a CASC Registered Organisation" prior to being considered for election to the Board at the AGM (Appendix 1);

**I confirm I have read and understood Section 1 and Section 2 of the TWLTC Code of Conduct and agree to abide by the conditions:**

Name ……………………………………………………… Date ………………………………………………………

Signature ………………………………………………… Position.....................................................

**Appendix 1 - Fit & Proper Persons Declaration for CASC Registered Organisations**

Please read through the Fit and Proper Persons help sheet for CASC Registered Organisations (Appendix 2) before completing this form.

Organisation: **TUNBRIDGE WELLS LAWN TENNIS CLUB LIMITED**

CASC Number: CH10968

Name of individual.................................................................................

Role in the organisation..........................................................................

I, the undersigned, declare that:

• I am not disqualified from acting as a charity trustee

•  I have not been convicted of an offence involving deception or dishonesty (or any such conviction is legally regarded as spent)

•  I have not been involved in tax fraud or other fraudulent behaviour including misrepresentation and/or identity theft

•  I have not used arrangements notified under the Disclosure of Tax Avoidance Schemes ("DOTAS") rules in Part 7 Finance Act 2004 in respect of which a reference number has been issued under section 311 of Finance Act 2004, where the arrangements featured charitable reliefs or which used a charity, and where my tax position has been adjusted by HMRC to wholly or partly remove the tax advantage generated by the arrangements and such adjustments have become final.

•  I have not used tax arrangements which have been successfully counteracted under the general anti-abuse rules (see Part 5 of Finance Act 2013 or section 10 National Insurance Contributions Act 2014, as enacted or as amended from time to time) where such counteraction has become final.

•  I have not been actively involved in designing and/or promoting tax avoidance schemes featuring charitable reliefs or which used a charity, and I am not:

* + a promoter2 named by HMRC under the Promoters of Tax Avoidance Schemes (POTAS) legislation in Part 5 of Finance Act 2014, or
	+ a promoter of any tax arrangements designed or intended to obtain for any person a tax advantage and such tax advantage has successfully counteracted by HMRC under the general anti-abuse rule (see Part 5 of Finance Act 2013 and section 10 National Insurance Contributions Act 2014 as enacted or as amended from time to time) and such counteraction has become final, or
	+ a promoter of arrangements notified under DOTAS, in respect of which a reference number has been issued under section 311 of Finance Act 2004, and the tax position of all or any of the users of the arrangements has been adjusted by HMRC to wholly or partly remove the tax advantage generated by the arrangements and such adjustments have become final

•  I am not an undischarged bankrupt

•  I have not made compositions or arrangements with my creditors from which I have not been discharged

•  I have not been removed from serving as a charity trustee, or been stopped from acting in a management position within a charity

•  I have not been disqualified from serving as a Company Director

I will at all times seek to ensure the charity’s funds, and charity tax reliefs received by this organisation, are used only for charitable purposes

Signed.......................................................................................................... Date.............................................................................................................

Home address............................................................................................... ...................................................................................................................

Previous address if moved in past 12 months ...................................................... ...................................................................................................................

Date of birth...................................................................................................

National Insurance number ..............................................................................

National Identity Card Number (If you have one)...................................................

If you have signed this declaration but want to make any information known or clarify any points please add them in the space below.

2 The meaning of a ‘promoter ‘ in this context is explained in the Promoters of Tax Avoidance Schemes guidance: https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/313987/Promoters\_of\_Tax\_ Avoidance\_Schemes\_Guidance\_v1\_0.pdf**Appendix 2: Fit and proper persons helpsheet for CASC Registered Organisations**

**Who is this helpsheet for?**

This helpsheet and the model declaration are for use by 'managers' of a charity, Community Amateur Sports Club (CASC) or other organisation entitled to UK charity tax reliefs. The term 'managers' applies to the trustees of charities, directors of corporate charities, directors of corporate trustees, CASC officials and any other persons having general control and management over the running of the charity or the application of its assets. For example:

In a typical small local charity a manager for the purposes of the fit and proper persons test could include the Chairperson, Treasurer, Secretary and the rest of the management committee who would have control over expenditure.

In a larger charity a manager for the purposes of the fit and proper persons test would include all trustees or directors of a corporate charity but may also extend to certain employees who are able to determine how a significant proportion of the charity’s funds are spent. For example, most large charities have a Board of Trustees and an Executive Board of senior employees. In such a case the trustees and members of the Executive Board would be managers of the charity.

If you are a 'manager' of a charity you should read this helpsheet and, if appropriate, sign a declaration based on the model below. You can use the model declaration below or copy the wording onto your own stationery. The charity, CASC or other organisation entitled to charity tax reliefs should keep the signed declaration in case HM Revenue & Customs (HMRC) ask to see it. The signed form should not be sent to HMRC unless HMRC asks to see it.

**Why is there a 'fit and proper persons' test?**

The 'fit and proper persons' test is a statutory requirement. The test requires that individuals who are ’managers’ of the charity, CASC or other organisation are ’fit and proper persons’ to be managers of such a body. It exists to ensure that charities, CASCs and other organisations entitled to charity tax reliefs are not managed or controlled by individuals who might misuse the tax reliefs the organisation receives. Unfortunately fraudsters have been known to exploit charity tax reliefs so the fit and proper persons test exists to help prevent that.

**What does 'fit and proper' mean?**

An individual is 'a fit and proper person' if they ensure, or are likely to ensure, that charity funds and tax reliefs are used only for charitable purposes.

In signing a declaration like the one below you are confirming that you will ensure that funds are used for charitable purposes and also disclosing certain information about your past that may impact on whether or not you are indeed 'a fit and proper person'. When a charity notifies HMRC of certain new managers, HMRC cross-checks that person’s details against any information it has and will raise any concerns it has if there is anything to indicate the person may misuse the charity funds and tax reliefs. Factors that may lead to HMRC deciding that an individual manager is not a fit and proper person include where:

•  the individual has been involved in tax fraud or other fraudulent behaviour including misrepresentation and/or identity theft

•  HMRC has knowledge of the individual’s involvement in attacks against, or abuse of, tax repayment systems

•  the individual has been removed from acting as a charity trustee by a charity regulator or been disqualified from acting as a charity trustee or company director.

•  the individual has used arrangements notified under the Disclosure of Tax Avoidance Schemes ("DOTAS") rules in Part 7 Finance Act 2004 in respect of which a reference number has been issued under section 311 of Finance Act 2004, and the arrangements featured charitable reliefs or which used a charity, and their tax position has been adjusted by HMRC to wholly or partly remove the tax advantage generated by the arrangements and such adjustments have become final.

•  the individual has used tax arrangements which have been successfully counteracted under the general anti-abuse rules (see Part 5 of Finance Act 2013 or section 10 National Insurance Contributions Act 2014, as enacted or as amended from time to time) and such counteraction has become final.

•  the individual has been actively involved in designing and/or promoting tax avoidance schemes featuring charitable reliefs or which used a charity, and they are:

* + a promoter1 named by HMRC under the Promoters of Tax Avoidance Schemes (POTAS) legislation in Part 5 of Finance Act 2014, or
	+ a promoter of any tax arrangements designed or intended to obtain for any person a tax advantage and such tax advantage has successfully counteracted by HMRC under the general anti-abuse rule (see Part 5 of Finance Act 2013 and section 10 National Insurance Contributions Act 2014 as enacted or as amended from time to time) and such counteraction has become final, or
	+ a promoter of arrangements notified under DOTAS, in respect of which a reference number has been issued under section 311 of Finance Act 2004, and the tax position of all or any of the users of the arrangements has been adjusted by HMRC to wholly or partly remove the tax advantage generated by the arrangements and such adjustments have become final

1 The meaning of a ‘promoter ‘ in this context is explained in the Promoters of Tax Avoidance Schemes guidance: https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/313987/Promoters\_of\_Tax\_ Avoidance\_Schemes\_Guidance\_v1\_0.pdf

However, just because a person has been, say, barred from acting as a charity trustee or one of the other points above applies, it does not always follow that the charity will not be eligible for tax reliefs. When considering the application of the fit and proper persons test to particular managers, HMRC will take account of the likely impact on the charity’s tax position. For example any person who has no dealings with HMRC and no control over spending charity funds, even if the person is not a fit and proper person, is unlikely to affect the charity’s eligibility to tax reliefs.

**What do I need to do?**

If you are confident you will do your best to ensure that charity funds and tax reliefs are used only for charitable purposes and do not need to disclose any information listed on the declaration then you should sign a declaration and give it to the charity.

If you are confident you will do your best to ensure that charity funds and tax reliefs are used only for charitable purposes but you do need to disclose any information listed on the declaration then you should sign the declaration suitably amended - for example by crossing out the relevant bullet point - and provide details in the final box before you give the declaration to the charity. The charity will then need to decide what to do.

If neither of the above applies you should not sign the declaration.

**I’ve signed the declaration so what happens next?**

The charity will keep the declaration and in certain cases pass your details to HMRC. If HMRC have any concerns about you they will contact you to clarify the situation.