
NAEGA Ltd: Extraordinary General Meeting agrees to change of status

NAEGA IS MOVING ON

At the Extraordinary General Meeting held on the 22 January at the Open University in the North West in Manchester the following motion was agreed:

That

- NAEGA as a voluntary association be dissolved
- existing assets and liabilities of NAEGA are transferred to a new non-profit making company limited by guarantee with objects similar to the objects of the Association as per paragraph 8 of the NAEGA constitution

It is hoped that NAEGA will become a non-profit making limited company prior to the Annual Conference in July. Implementation of the motion will be agreed by the National Executive Committee.

WHAT IS NAEGA NOW?

NAEGA's current legal status is as a voluntary association. NAEGA has an established committee structure with the Finance and General Purposes Committee, an Editorial Board for Publications and the annually reconstituted Conference Planning Committee which make recommendations to the National Executive.

NAEGA has an agreed Constitution and elected officers with specified responsibilities who are elected annually at the AGM. NAEGA is a membership body and holds a General Meeting for members a minimum of once a year, during the Annual Conference. The 2002 AGM will be held at Stoke Rocheford on July 3rd.

NAEGA'S FINANCES

NAEGA has an annual revenue budget of between £60,000 and £70,000. Annual income balances annual expenditure with very little leeway. We hold a small reserve to back up our current accounts.

NAEGA's income comes primarily from two sources:

- membership fees which give a reasonably predictable income, and
- conference fees and related sponsorship, which carry a far higher risk.

The higher risk was made clear to NAEGA when, as members will remember, the Conference 2000 in Edinburgh, coincided with the petrol crisis. We were extremely fortunate that participants, having seen the exciting programme put together by the Scottish Planning Committee were so determined to get there that all but a handful of delegates attended. The income flow from the previous conference overlaps with the initial expenditure for the next and cash flow has to be managed with care.

EXECUTIVE RESPONSIBILITIES

In an increasingly litigious society NAEGA could incur liabilities through the paid services we use, i.e. administrative assistance, conference organisation and to issues relating to conference participants and venue. As NAEGA is not currently a limited company, any liability, which cannot be met within existing funds, would have to be borne by the individual members of the National Executive. We are advised that the risk is small, but it exists and cases do occur.

NAEGA is run by a voluntary National Executive who give the Association considerable time and commitment. The effectiveness of NAEGA each year in keeping members informed and influencing the development of adult guidance depends heavily on the ability and enthusiasm of individuals. NAEGA now has a paid administrator but much of the business of running the Association still falls on Executive members. If NAEGA wishes to get and keep the best people on its National Executive it is not appropriate to expose them to this level of liability.

Over the past year considerable progress has been made in tightening up NAEGA's business infrastructure. A limited company will be required to operate on a strictly professional basis within this voluntary structure. Thanks to committed members of the Executive, NAEGA has run reasonably efficiently for years but activity levels and NAEGA membership numbers are now outstripping our capacity. Setting up the company will ensure that in future NAEGA operates at the required professional level whilst retaining the enthusiasm and participation of volunteers.

WHAT SORT OF COMPANY?

NAEGA is a non profit making organisation. At the end of the financial year any excess income over expenditure is retained in the business. We are therefore seeking limited company status as a non profit making company. The new NAEGA company will also seek charitable status which is available to those companies, whose main purpose is to enhance the public good. NAEGA's aims and objectives make our prime purpose in promoting and developing adult educational guidance very clear. NAEGA does this through services to our members and others, but the personal benefit of members is not our primary concern. Charitable status will enable us to be eligible for a number of charitable grants, possibly to take up certain tax advantages in the future and to make a clearer statement of our ethos and purpose.

WHAT WILL IT COST?

NAEGA will now commission a Memorandum and Articles which meet the legal requirements, open and close bank accounts and make some changes to headings on our printed documentation. Costs are estimated at around £600-£750. The time given by members and especially the Executive is a resource NAEGA is fortunately free.

WHAT NEXT ?

- The Memorandum and Articles have now be commissioned will essentially resemble the NAEGA existing Constitution but is written to meet the appropriate legal requirements. This will also provide an opportunity to update and tidy-up the existing constitution.
- The memorandum will be written in the form which is required to seek charitable status, but as this will take sometime, the new company will be set up in advance of an application to the Charity Commission.
- The draft articles will be available on our website (www.naega.org.uk). Hard copies of this draft can also be obtained from the NAEGA Office.

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- A small Constitution Working Group will be established to review the draft articles and member comments on them. This working group will be led by Jonathan Brown, Past President of NAEGA, who (as founder Chair in 1983 wrote our original Constitution) will use your views to ensure the Articles adhere strictly to the aims objectives and ethos of NAEGA.
 - Please send views on the draft articles and the present constitution to Jonathan at jfb2@tutor.open.ac.uk
 - The Working Group will report to the Executive at the end of May 2002.
 - The National Executive Committee, which has now received your mandate to do so, will then agree a date on which NAEGA will be dissolved and our assets and liabilities transferred to the new Company.

VOLUNTEERS REQUIRED FOR THE WORKING GROUP

NAEGA needs volunteers to join Jonathan Brown on this working group. The Constitutional Working Group on Articles and Constitution will review the draft articles and the current NAEGA Constitution in the light of member comments. Up to six volunteers are required for this group which will work mainly by e-mail (with the possibility of one conventional meeting). Offers of help to Jonathan Brown at jfb2@tutor.open.ac.uk (If you wish to discuss what is involved ring him on 019 285 7445)

THE BOARD OF NAEGA

The new Board of the company will be constituted from existing officers. For the year 2002-2003 election of the Board of Directors will take place at the AGM at Stoke Rochford in July 2002 in the same way as electing the Executive.

In summary the setting up of NAEGA Ltd will enable us to retain and enhance a committed, able and enthusiastic National Executive and encourage the continuing development of an appropriate business infrastructure to underpin our activities. Watch out for the draft articles on the website and make your views heard!