



South Yorkshire Branch Treasurer's Report - General Purpose Committee's Agenda Item No 8

Entitled "Moving the Association from an Unincorporated - Not For Profit Organisation to a Company Limited by guarantee"

From the outset of this report I have to state that I have serious reservations regarding our Association's proposed move from an "Unincorporated Not for Profit Organisation" to a "Company Limited by Guarantee" organisation.

From the outset the General Purpose Committee's report seems to be a change of direction.

However, their report offers the following:

Section 1.6 states that:

- 1.6 Generally speaking an unincorporated structure is most appropriate for groups such as our Association which:
- Have low income.
 - Do not intend to employ staff or acquire property."

And in **Section 1.7** it is stated that:

- "1.7 An Unincorporated not for profit organisation is a type of business structure that doesn't have shareholders or issue shares. Instead, it is owned by members who guarantee to contribute a set amount towards the company's debts if it is wound up. Unincorporated Not for Profit Organisations are particularly popular for organisations such as ours that operate for the members good rather than for profit."

Furthermore, whilst in agreement with all the advantages stated in the report regarding 'Unincorporated not for profit organisation in **Section 3 three items** have been placed under the disadvantages of this type of structure, which are disadvantages to the Committee, but are in fact advantages for the protection from mismanagement for the membership.

These are:

- The governance structure of not-for-profits, which typically involves a board of trustees or in our case a Council can sometimes lead to slower decision-making. Decisions may require

consensus from members, which will enable reflection before decision are made down the response to changing circumstances or emerging opportunities.

And

- With no shareholders there can be fewer ownership disputes, however, governance of the Association can still be a challenge. In our case (over 6000 members) achieving consensus on key decisions can take time and effort potentially slowing progress on decision making and implementation.
- Regulatory investigations – Where and when appropriate The Charity Commission has the power to investigate mismanagement or misconduct.

In **Section 4** of the document states there are **two disadvantages** of becoming a Company Limited by Guarantee, These are:

- Being a Company Limited by guarantee the Association is less likely to be considered for grants and funding opportunities.
- Company Limited by guarantee must comply with the same legal requirements as other registered companies. This includes filing annual accounts and submitting confirmation statements to Companies House. These responsibilities can be time-consuming however the production of accounts is already undertaken by the Associations current treasurer.

However, **Section 5** of the document there is **only one stated advantage** of becoming a Company Limited by Guarantee:

- Charities often operate as companies limited by guarantee. This is so they can achieve their mission while benefiting from limited liability and legal status.

In **Section 6** a statement is made that to set up a **Company Limited by Guarantee** the Association would need to action the following:

- “A name for the Association must be unique and comply with UK naming regulation. In our case the existing name ‘**National Association of Retired Fire Service Personnel (NARFSP)**’ would be appropriate but it would need to be confirmed that no such other organisation of the same name exists.”

However, in **Section 7.11** of the same document it states:

Would the name of the Association change? It would be **National Association of Fire Service Personnel** at Companies House but could still be **NARFSP or NARF** to members.

What is the intended name of our Association? If it is as stated in **Section 7.11?** Then is the plan to marginalise ‘Retired’ members in favour of attracting non retired members, and thus increase the revenue enjoyed by a future board of directors, and its shareholders?

In **Section 8** it is stated that the route to the Association becoming a Company Limited by Guarantee depends on the fact that at the October Council Meeting members should vote to support by majority one of the three options as follows:

- The Association should carry out the necessary actions to move the Association to a Company Limited by Guarantee
- Maintain the Association as being an Unincorporated – Not for Profit organisation and accept associated risks.
- That with falling membership numbers Council members may consider at this time actioning the necessary steps to dissolve the Association as soon as possible and by so doing remove the risk to members and its officials.

Conclusion:

Amongst the options offered by the General Council is the threat that the Council should consider dissolving the Association of Retired Fire Service Personnel, and the General Purpose Committee does not support maintaining the Association as being an **‘Unincorporated – Not for Profit Organisation’**.

This is a very serious threat indeed, and seems to be an attempt at a ‘fait accompli’, in other words making a decision that the members have to make and can’t reverse.

It appears that this whole document is based around ensuring the Association becomes a **‘Company Limited by Guarantee’**, and the transfer the assets and finances of the Association to the Limited Company run by a board of directors.

A suitable conclusion to this document is the fact that the NARF representative made the following statement at the Age Sector meeting on 30th June 2026.

“Retired Firefighters -Cliff Webb

- *Reduction in membership due to death of members and retired members not joining.*
- *Recruitment barrier is reluctance to be labelled ‘pensioners’.*
- *Kevin noted switch in rhetoric to focus on ‘leavers’ and not just ‘retired’ members, as profession has changed in recent years with people not remaining in the career as long as they used to.*

Action – Kevin* and Cliff will share insights on this.”

*Kevin Moore, National Association of Retired Police Officers

Edward J Mullins
Treasurer South Yorkshire Branch