



SIR THOMAS RICH'S
PARENTS' ASSOCIATION

**MINUTES OF EGM
HELD ON
Thursday the 23rd Sept at 7pm**

PRESENT: Kerry Canning, Sarah Cripps, Elisa Jordan, Paula Turner, Matthew Morgan, Mena Canning, Dawn Davis, Jackie Safizadeh

APOLOGIES: Charlie Smith.

Reason for EGM – To discuss the change of constitution to allow friends and teachers to be part of the parents association.

Agenda Item	Action Assignee
<p>In order to allow a wider membership, it was proposed that the current constitution should be replaced with the March 2021 version of the Parentkind Model Constitution (attached) with the type of association being a Parent Teacher and Friends Association (PTFA) and the name of the Association be changed to "Sir Thomas Rich's PTFA"</p> <p>Permanent Trading</p> <p>Statement for the record:</p> <p>Prior to this meeting there has been discussion about whether the PA complies with section 3.4 which states:</p> <p><i>"The committee members/trustees have the following powers, which may be exercised only in promoting the charity's purpose ('objects'): 3.4 To raise funds (but not by means of permanent trading)"</i></p> <p>The model constitution defines permanent trading as:</p> <p><i>"carrying on a trade or business on a continuing basis for the principal purpose of raising funds and not for the purpose of actually carrying out the objects".</i></p> <p>And notes against section 3.4 state:</p> <p><i>"The committee should understand any legal restrictions on the fundraising activities the charity wants to undertake. Substantial permanent trading for the purpose of raising funds is not allowed. HM Revenue and Customs (HMRC) can advise on the limits for small scale trading. Where an association will be</i></p>	

relying on trading to raise funds it is recommended that a separate, non-charitable trading company should be used for the purpose and specialist legal or accountancy advice sought.

To ensure that the running of the Uniform Shop does not constitute “permanent trading” we contacted Parentkind. Over the phone we were told the permanent trading would be where we had a high street shop, and as we don’t, we weren’t permanent trading.

When asked if they could put that in writing to us, Donna from Parentkind emailed “we would need to direct you to HMRC and advise that you get guidance from charity lawyers as this does fall out of our remit”. She also included a link to the HMRC document “find out how to pay less tax as a charity”.

We were unable to get definitive clarification from Parentkind as to whether the Uniform Shop’s activities constitute permanent trading. As Parentkind constantly refer to HMRC and tax, we interpret the term permanent trading to mean “non-charitable trading” or “taxable trading” (which incidentally is the wording in our existing constitution).

Earlier in the year we sought HMRC’s clarification as to whether the Uniform Shop’s activities were taxable. HMRC determined that our activities are classed as “Ancillary Trading” (exercised in the course of the carrying out of a primary purpose of a charity and, therefore, part of a primary purpose trade) and are not subject to Corporation Tax.

On the basis that our trading is not taxable, we conclude that we are not Permanent Trading and we are acting within the Powers set out in the Parentkind model constitution.

Change current constitution and adopt parentkind version

- Unanimous vote to change the name to Sir Thomas Rich’s PTFA and to adopt the new constitution.
- This allows friends and teachers to be included if they wish.

