

## The advantages for WSRA of becoming a 'Charitable Incorporated Organisation' - CIO

A CIO is a charitable company limited by guarantee; it is a company without share capital used mostly in the not-for-profit sector. The law considers a CIO to have the same legal status as a person. This means that the CIO, like an individual, can own land and enter into contracts in its own name.

**These charities also have limited liability for debts or lawsuits.** This means their members or trustees are generally only responsible for a limited nominal amount, usually £10.

### Main Advantages:

1. In contrast to the requirement for a company limited by guarantee to have a minimum income of £5,000 for it to register with the CC, **there is no minimum registration threshold to register a CIO.**
2. **The CIO is a separate contracts legal entity** and so it can enter, hold property and employ staff in its own name. Consequently, any liabilities arising from the entry into such arrangement fall on the organisation itself rather than the trustees. Companies limited by guarantee have a similar benefit.
3. Trustees of CIOs benefit from limited liability, as do directors of companies limited by guarantee, which is limited to the amount they have invested in the CIO or have guaranteed upon the winding up of the CIO.
4. On begin entering onto the register of charities, **a CIO is automatically given a registered charity number which facilitates correspondence with HMRC on charitable tax advantages and also serves to reassure potential funders and donors.**
5. CIOs do not have to register with Companies House and only need to be registered with the CC. As a result, **CIOs are not required to file information at Companies House but file information with the CC**, which, in contrast to Companies House, does not charge for the registration or the filing of information.
6. **The reporting and accounting requirements in the Companies Act 2006 do not apply to CIOs, rather charity law applies. CIOs are only required to report to and file accounts, an annual return and other documents with the CC.**
7. **CIOs which have a gross income of less than £250,000 in any financial year may use the simpler receipts and payments basis to prepare its accounts.**
8. **The WSRA as a CIO would be entirely separate from England Squash and although upholding the connections for Squash, the WSRA would have a separate legal identity.**
9. **With the WSRA as a charity parents of young players, and potential sponsors can be assured that the highest standards of governance are adhered to.**

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