

**CO-OPERATIVES UK**

# THE ESSENTIAL CO-OP SECRETARY

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# CO-OPERATIVES UK

**VISION**

**TO BUILD A BETTER WORLD  
THROUGH CO-OPERATION.**

# CO-OPERATIVES UK

## MISSION

**TO EMPOWER AND GROW THE UK'S  
CO-OPERATIVE ECONOMY BY BEING  
THE VOICE OF CO-OPERATION AND  
MEMBER OWNERSHIP.**





## **AIMS AND OBJECTIVES**

Our aim:

By inspiring everyone to be a member of a co-op, and every co-op to be one of our members, we will help create a fairer society together.

Our objectives:

1. To build a strong, sustainable and diverse UK co-operative movement that positions co-operatives as a better way to do business and transform people's lives.
2. To promote and embed the values and principles of co-operation across UK enterprise and communities.

**EMPOWERING  
CO-OPERATION**



# LEARNING OUTCOMES

By the end of the session you will:

- Have an understanding of governance and co-operative governance
- Know who can be a secretary of a co-operative and how the role supports a co-operative's governance
- Understand the legal role and associated responsibilities of the secretary of a co-op



# INTRODUCTIONS

- Mentimeter poll
- Your Name and coop
- How long have you been the Secretary?

Go to [www.menti.com](https://www.menti.com) and use the code 1219 0924



# LEGAL FORMS

- No Act for incorporation
- Can register under any legal form
- Most common legal forms

# POLL

What is your  
co-op's legal  
form?



# WHAT IS GOVERNANCE

The systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation.

# CO-OPERATIVE GOVERNANCE DIFFERENCE

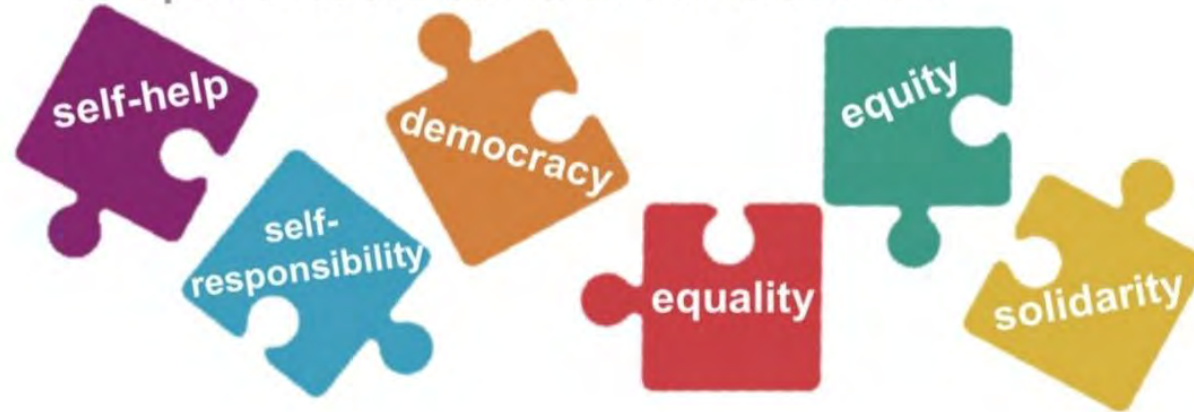
- A co-operative board must act in accordance with the co-operative values and principles.
- There is a stronger emphasis in co-operatives on active, democratic member participation. Members are encouraged to play a part in governance
- A co-operative board is expected to engage with members and maintain close relations
- A co-operative board collectively acts as custodians of the co-operative to secure the business for future generations of members
- A co-operative board should act in the best interests of the members and providing member value



# CO-OPERATIVE VALUES AND PRINCIPLES

Co-operative  
values  
operate  
worldwide

Co-operatives are based on the values of...

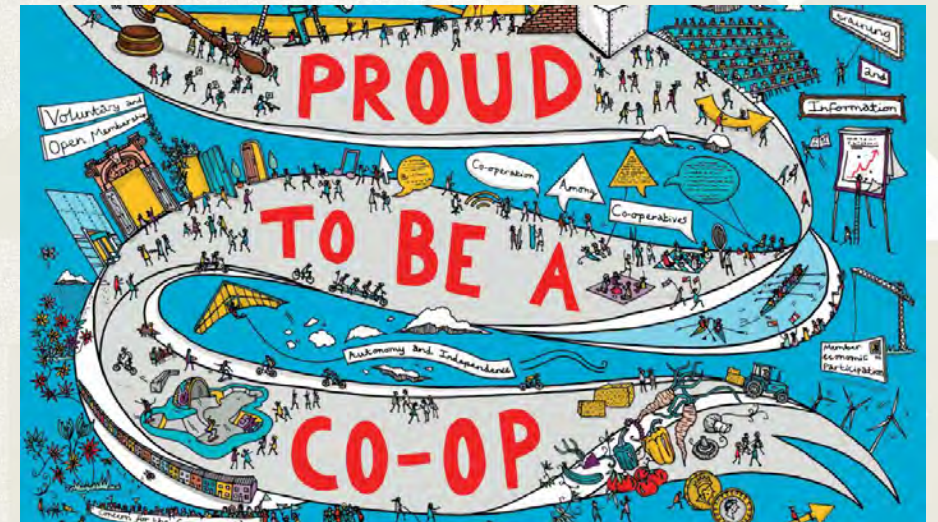


Co-operative members believe in the ethical values of...



# CO-OPERATIVE VALUES AND PRINCIPLES

- A co-op is **owned and controlled by its members**. It exists for the benefit of its members, who may be customers, workers, suppliers or the wider community.
- A co-op is **democratic** – this means every member has an equal say in how it's run and how profits are used.
- **Every member contributes financially** in some way – from buying products, working for the co-op, investing in it or deciding how to spend its profits.
- A co-op is an **independent** business, owned and controlled by its members.
- It offers **education and training** to everyone involved, so they can develop the co-op and promote the benefits of co-operation.
- It **co-operates**, works with and supports other co-ops.
- A co-op supports the **communities** it works with.





# A KEY GOVERNANCE ROLE

## Co-operative Corporate Governance Code

### Definition

“The secretary is responsible for the efficient administration of an organisation, particularly to ensure compliance with statutory and regulatory requirements and that decisions of the board of directors are implemented. If an organisation is not required by law to have a secretary, these tasks will still need to be undertaken by an individual or by the board as a whole.”

### Position

“All directors should have access to the advice of the secretary, who is responsible for advising the board and offering assurance on all governance matters. Both the appointment and removal of the secretary should be a matter for the whole board.”

# AM I ELIGIBLE?

- Consider Governing Document Provisions
- No formal qualification necessary – *but...*
- Remuneration?
- Cannot be the Co-op's Auditor
- Cannot be an undischarged bankrupt – unless the Court has given permission to act
- Co-op can delegate function to external expert but the co-op remains liable



# 3 KEY AREAS OF RESPONSIBILITY

Legal Compliance

Relationships & Governance

Accountability



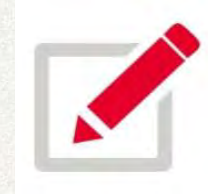
Know your co-op's governing document (and where to find it)



Know the Principal Act that governs your co-op and any other applicable legislation

## CO-OPERATIVES UK

Ensure that your co-op's governance adheres to the ICA V&P



Maintenance of Records

# Legal Compliance



Access to records



Running the Registered Office



Collation of Accounts and compliance with legislation



Filing Requirements



# EQUIP YOUR NEW COOP

- Open bank account
- Know your registrar
- Know your audit requirements
- Appoint an auditor?
- Display your co-op's registration details
- Map out your governance year – Know your Accounting Reference Date and when to hold your AGM
- Consider if you need any insurance
- Explore Co-operatives UK [governance resources](#)

# COMPANY - DISPLAYING YOUR DETAILS

- Must display your company name at your registered address and wherever your business operates (unless it is residential address)
- Business documentation, website & promotional material – name, registered number, registered office address, Ltd or Limited, place of registration e.g. England & Wales



# SOCIETY - DISPLAYING YOUR DETAILS

- Registered name must be displayed in full outside of registered office and places of business
- Other business documentation & websites
- On the Society seal (if you have one)
- Include registered number, VAT no. and the Act you're registered under

PDF - [Choosing and using a co-operative name](#)

# COMPANY REGISTERS

- Register of Members
- Register of Directors
- Register of Directors' Usual residential addresses
- Register of Persons of Significant Control



# COMPANY REGISTERS

In addition, some companies may, but are not required to, keep:

- register of allotments;
- register of transfers;
- register of sealings;

*May also keep depending on the company:*

Register of Director's interests – best practice to help record any interests

Register of Charges (only those created before 6 April 2013)

Register of Secretaries – if the company has one or has had one.

# COMPANY REGISTER OF PERSONS OF SIGNIFICANT CONTROL

You must also keep a register of 'people with significant control' (PSC). Your PSC register must include details of anyone who:

- has more than 25% shares or voting rights in your company
- can appoint or remove a majority of directors
- can influence or control your company

Important: You still need to keep a record if there are no people with significant control.

[PSC guidance](#)



# COMPANY - ACCESS TO REGISTERS

- If they are kept at the registered office or SAIL address, access to them must be provided every working day.
- Members of the company may inspect the registers free of charge, and members of the public can request to inspect and make copies of the registers at a specified time for a prescribed fee.
- A company must be given a minimum of 10 working days' notice of the time and date of inspection.
- 5 working days to respond on receipt of a inspection request. Comply (proper purpose) OR Applying to the court for relief from the request (if the inspection is for an improper purpose).

# SOCIETY REGISTERS

Register of Members and Officers (Directors, Members and Secretaries combined).

- Member shareholdings
- Statement of other property held in the society (in addition to shares (eg loanstock))
- Duplicate register without the financial information must be kept for inspection
- Can also be inspected by anyone authorised by the FCA who produces evidence of their authority to do so, at reasonable hours
- Register of nominations



# SOCIETY - ACCESS TO REGISTERS

Members can view the duplicate register that societies must have, that displays member names and addresses (but not their shareholdings).

The legislation says nothing about taking copies and so this does not have to be permitted.

Case law suggests similar provisions to companies about access for a “proper purpose” will apply for societies but best to take advice if approached by a member(s).

[Air Register](#)

# COMPANY - STATUTORY ACCOUNTS

Statutory accounts must include:

- a 'balance sheet' signed by a director, which shows the value of everything the company owns, owes and is owed on the last day of the financial year
- a 'profit and loss account', which shows the company's sales, running costs and the profit or loss it has made over the financial year
- notes about the accounts
- a director's report (unless you're a 'micro-entity')

Might have to include an auditor's report. Depends on size of company

[www.gov.uk/annual-accounts](http://www.gov.uk/annual-accounts)



# COMPANY – AUDIT REQUIREMENTS

A company may be exempt from having an audit if it meets at least 2 of the following 3 requirements:

- Balance sheet total less than or equal to £3.2 million
- Less than 50 employees
- Turnover below £6.5 million

The members must agree for the company to apply the audit exemptions.

# SOCIETY - STATUTORY ACCOUNTS

Will include:

- a revenue account for that year which deals with the society's affairs as a whole, or two or more revenue accounts for that year which deal separately with particular businesses carried on by the society.
- a 'balance sheet' which shows the value of everything the society owns, owes and is owed on the last day of the financial year
- must display its latest balance sheet in a clearly visible position at its registered office
- Must be signed by the society secretary or 2 directors
- Might have to include an auditor's report. Depends on size of the society

[www.uk.coop/support-your-co-op/finance-advice-and-support/finance-toolkit](http://www.uk.coop/support-your-co-op/finance-advice-and-support/finance-toolkit)



# SOCIETY – AUDIT REQUIREMENTS

Audit requirements are and exemptions are different for societies than companies.

- Some societies will have to carry out a full audit e.g. those with subsidiaries; and if
- In the preceding year of account turnover was in excess of £5.6 million (or £250,000 if a charity); and
- Total assets in excess of £2.8 million

[Audit Requirements](#)

# SOCIETY – AUDIT REQUIREMENTS

An accountants report will be needed if:

- The members apply the audit exemption
- Turnover exceeds £90,000 and
- Assets are below £5.6 million

[Audit Requirements](#)

A lay audit will be required if:

- Turnover is below £5k
- Assets below £5k
- Less than 500 members

[FCA Audit Decision Tree](#)



# SOCIETY - ANNUAL RETURN

- Must be submitted with the society's accounts
- Asks for:
  - Summary of information from accounts, number of members, turnover etc.
  - Information on how the society is still meeting the registration condition
  - Names of directors and secretary
  - If the accounts have been audited and auditor's report if applicable.
  - Signature of Secretary

# FILING WITH COMPANIES HOUSE

- Confirmation Statement & Accounts
- Registered Office Address/SAIL
- Name Changes
- Articles Changes
- Director & Secretary Changes
- Charges

[www.gov.uk/running-a-limited-company/company-changes-you-must-report](https://www.gov.uk/running-a-limited-company/company-changes-you-must-report)



# COMPANY - FILING DEADLINES

Accounts – within 9 months of the financial year end (non PLC).

Confirmation Statement - 14 days

Changes to director's details, PSC information, registered office etc - 14 days

Charges - 21 days

# SOCIETIES - FILING WITH THE FCA

- Meeting the registration Conditions
- Financial Year End
- Registered Office
- Registered Name
- Annual Return & Accounts
- Rule Changes
- Registering a Charge



# SOCIETY – FILING DEADLINES

- Annual Return & Accounts – filed together within 7 months of the society's financial year end.
- Use the FCA Portal – quicker and easier in most cases
- If you think you will be late, speak to the FCA

**BREAK**



# QUICK QUIZ (TRUE OR FALSE)

	Question
1	You must notify the FCA every time a director is appointed or resigns
2	Company accounts must be filed within 7 months of the accounting reference date
3	Societies must be registered with the FCA and Companies House
4	Companies must have a company secretary
5	16 is the minimum age a person can become a member of a co-operative
6	The notice period for all general meetings of a co-op is 14 clear days

# 3 KEY AREAS OF RESPONSIBILITY

Legal Compliance

Relationships & Governance

Accountability





# **Relationships & Governance**

# ROLE OF THE BOARD



**Vision and mission**



**Strategy and objectives**



**Culture and values**



**Accountable leadership**



**Control environment**



**Governance processes**



**Succession planning**



Director Induction  
& Training

Advice &  
guidance

Board & Director  
Evaluations

Meetings/Meeting  
Environment

Key Relationships

Relationship with  
the Chair



# Directors' Duties

Duty to exercise independent judgement

Duty to act within powers

Duty to promote the success of the company

Duty not to accept benefits for third parties

Duty to avoid conflicts of interest

Duty to exercise reasonable care, skill and diligence

Duty to declare an interest in proposed transaction or arrangement

New Guidance



Director Induction  
& Training

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Board & Director  
Evaluations

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Environment

Key Relationships

Relationship with  
the Chair

# ACCOUNTABILITY

- What role does the secretary play?
- The Board is accountable to the members as owners of the co-op both present and future. How is this demonstrated?
- Members having opportunities to hold the Board to account. How?



# REFLECTIONS

What will you do differently in  
your role as a result of what  
you've learned today?

# CO-OPERATIVES UK'S SERVICES

- Governance audits/health checks
- Board training
- Board and Director evaluations
- Inhouse Secretarial Services
- Essential Director training
- Co-op secretary II: Putting your learning into practice

[Advice@uk.coop](mailto:Advice@uk.coop)  
[CUK Events Calendar](#)

[Further Governance Support](#)

# CO-OPERATIVES UK'S RESOURCES

- [Essential Society Secretary Guide](#)
- [Essential Company Secretary Guide](#)
- [Effective minute taking](#)
- [Directors toolkit](#)
- [Finance Toolkit](#)
- [AGM resources, advice and guidance](#)
- [CUK Membership](#)
- [Contact Package](#)
- [Co-op secretary II: Putting your learning into practice](#)
- [Essential Co-operative Chair](#)

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# QUESTIONS