

From: Norman Kerr <norman.kerr@ntkaccounting.co.uk>
Sent: 04 October 2021 11:52
To: Henderson, Fiona
Cc: Allan Hill; Heather Batsch
Subject: JED THISTLE RFC - JEDBURGH COMMON GOOD FUND APPLICATION

CAUTION: External Email

Hi Fiona

Following the Jedburgh CC meeting on 13 September, I have taken the council's request for more information back to the Jed Thistle committee for their consideration.

There were two areas on which the council required further detail:

1. Would Jed Thistle consider splitting the funding request into a grant element and a loan element?
2. What security could Jed Thistle offer the Jedburgh Common Good Fund in return for the funding?

In answer to number 1., yes, we would be willing to consider this. Our proposal is for a £50K grant, with a £15K loan repayable over 15 years, as we believe we could afford the £1K per annum plus interest element without creating any financial issues for the club. Should we experience any cash flow issues, would it be possible to have a (short-term) payment holiday for an agreed period of time? As I was asked at the meeting, should we find that the £65K would be more than we would need after all other funding sources have been exhausted, Jed Thistle would be more than willing to refund any surplus to the CGF on completion of the project.

For number 2, we have consulted with Heather on the best way to amend our Constitution to ensure that the CGF was the (main) beneficiary of any winding up of the club's activities. At the moment our Constitution states that "Any surplus assets available to the organisation immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the organisation as set out in this constitution."

If the club decided to close down (not bankrupt) we could make a donation to another youth rugby organisation before agreeing to close, and then on applying for a winding up order we would only have the property on our books which could then go to the Jedburgh CGF (any donations would obviously be after any outstanding amount on the loan was refunded to the

CGF from any cash surplus).

These steps would need to be agreed with the Office of the Scottish Charity Regulator (OSCR), as the Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of OSCR.

I hope that this meets with the council's approval, and if there are any further questions we would be delighted to answer these.

We look forward to hearing from you in due course.

Thank you and regards,

Norman

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