

# MIDDLETON ON SEA (BEACH HUTS) LIMITED

## COMPANY GOVERNANCE

### 1. Introduction

The Middleton on Sea Association (MOSA) was responsible for the formation of the Middleton-on-Sea (Beach Huts) Limited in 1978; when the 54 beach huts and adjacent land became available for purchase. MOSA being an unincorporated body could not legally hold land and therefore the Beach Hut Company was formed. In order to finance the original purchase, individuals, not necessarily from the local area, were offered extended leases over a specified period of time. Although those leases have now lapsed, some of the original tenants still maintain a beach hut but under the new regulations.

Middleton-on-Sea (Beach Huts) Limited (*'the Company'*) is limited by Guarantee. Its primary object is to manage and let the beach huts and upkeep the general areas associated with the huts and preserve any property owned or within its control in the interests of the residents of Middleton and the beach hut tenants.

The company is administered by a Board of Directors as defined in the Company Articles and Memorandum of Association.

All the members of the Board are members of MOSA and three are specifically appointed by MOSA as *"ex officio"* representatives who act as the Company representatives on the MOSA Management Committee.

### **1. Area and Property**

The Company owns and is primarily concerned with those Beach Huts found on land between the Greensward and Sea Way, known as the Central Beach Huts, together with the Beach Huts found on the Greensward at the bottom of the Twitten off Sea Way and adjacent to the Summerley Estate. These are known as the Western Beach Huts.

The Company also owns and has responsibility for the land between the Central Beach Huts from the boundary with Sea Way and the Greensward. In addition, it also owns the land 2 metres in front of the Western Huts.

All the above-mentioned land is registered at the Land Registry under Title Number WSX21478.

The Middleton-on-Sea (Beach Huts) Limited has no beneficial owners.

Beach huts, by their very nature, tend to deteriorate and funds are being accrued to provide finance either for a continuous maintenance programme or a major re-build if necessary.

## **2. Aims and Objectives**

The aims and objectives of the Company are:

- a. To acquire, manage and let Beach Huts at Middleton on Sea, West Sussex.
- b. To upkeep the general area associated with the Beach Huts and;
- c. Generally, preserve any property owned or within the control of the Company in the interests of the residents of Middleton on Sea and the tenants of the Beach Huts.

## **3. Activities**

The most important activities of the Company are concerned with the provision, management, maintenance, and repair of the Central and Western Beach Huts and lands within its ownership.

## **4. Governance**

Company Board

The Board of the Company consists of up to six members and includes the formal Officer roles of Chair; Vice Chair; Secretary and Treasurer. Appointments can be made to any sub committees as deemed necessary by the Management Committee. Additionally, the Middleton on Sea Association appoints three “ex officio” officers to the Board.

It should be noted that Governance positions are only allocated when required.

Company Policies and Procedures

The Company has a formal “Waiting List Criteria”, together with “Beach Hut Conditions of Use” which is published on the MOSA website. It also has a waiting list for applicants which will be monitored at the Company Board.

## **5. Middleton-on-Sea (Beach Huts) Limited Charges - General**

The costs of the activities of the Company are met by a Company Charge/fee decided by the Board on an annual basis. Elements of the fee will be designated part of the Companies “sinking fund” for Beach Hut maintenance/replacement.

## **MIDDLETON ON SEA (BEACH HUTS) LIMITED RULES.**

### **1. Name:**

The Company shall be called the Middleton-on-Sea (Beach Huts) Limited.

### **2. Non-party:**

The Company shall be strictly non-party and non-sectarian.

### **3. Letting:**

Any adult person who wishes to apply to let a Beach Hut and can meet the Companies Letting Criteria will need to complete the Company Application form and be placed on its Beach Hut Waiting List. The Board has the right to accept or reject applications for letting membership and that their decision shall be final.

### **4. Acceptance of Rules and the Constitution:**

Acceptance and observance of these Rules is a condition of letting. In addition, an obligation is placed on tenants to pay, in full, their annual charges. Any inability to pay these charges should, in the first instance, be discussed with the Company Chair. The Company reserves the right to undertake necessary legal action to recover any non-payment of charges. Details of this policy are available from the Secretary.

### **5. Suspension of Tenants:**

The Board shall have power to suspend any tenant whose conduct is, in its opinion, detrimental to the welfare of the Company. Any suspended tenant is still obliged to pay, in full, all charges.

### **6. Management:**

1. The Management of the Company shall be vested in a Board of not more than six members including Officers, of which four will form a quorum.
2. The election of the Board shall take place at an Annual General Meeting (AGM).
3. The Board shall have the power to fill any vacancies that arise during the year.
4. Nominations for the appointment of new members of the Board shall be signed by the proposer and seconder (the consent of the nominee having first been obtained) and forwarded to the Secretary for inclusion on the Agenda of the Annual General Meeting not less than seven days prior to the date of the meeting. Serving members should notify the Secretary of their willingness to continue in office.

## **7. Executive Committee:**

The Chairman, Vice-Chairman, Secretary and Treasurer can form an Executive Committee with power to deal with matters of emergency.

## **8. Power to Co-opt:**

The Board shall have power to appoint Sub - Committees for a specific purpose or purposes. The Chairman and Vice Chairman of the Company shall be *ex-officio* members of all Sub- Committees. Given that the Board is required to undertake many tasks, it shall have the power to delegate some of its duties to a Sub Committee or, occasionally, to individual members, if it wishes to receive advice on specific issues relating to those duties.

## **9. No Provision in Rules:**

The Board shall have power to deal with any business not otherwise provided for in these Rules, except that they shall not decide questions of vital importance to members of the Company without first referring them to a General Meeting.

## **10. Election of Officers:**

The Officers of the Company may consist of a Chairman, Vice- Chairman, Secretary and Treasurer who shall be members of the Board. All shall be elected annually at the Annual General Meeting. MOSA will appoint its *ex-officio* Officers.

## **11. Chair's duties:**

The duties of the Chair are as follows

1. To provide leadership and direction for the Company.
2. To ensure the Company functions properly.
3. To ensure the organisation is managed effectively.
4. To provide support and supervision to the Board.
5. To represent the organisation as its figurehead
6. To procure legal support or advice as necessary for the discharge of the Companies duties, responsibilities, and actions.

## **12. Vice Chair's duties**

1. To deputise for the Chair as and when required
2. To undertake any of the Chair's duties as may be directed.

### **13. Treasurer's Duties:**

1. The Treasurer is responsible for monitoring the finances, cash flow, banking, bookkeeping, and reporting to the Board
2. Develop a financial plan with the Board for the year and longer term planning as necessary.
3. The Treasurer shall pay all accounts under the direction of the Board and prepare or cause to be prepared, an Income and Expenditure Account and Balance Sheet as at each calendar year end for each AGM.
4. All cheques drawn shall be signed by the Treasurer and countersigned by the Secretary. The Chairman or Vice-Chairman may sign for either, but not both, in the case of their absence or emergency.

### **14. Secretary's Duties:**

The Secretary is responsible for:

1. Ensuring meetings are effectively organised.
2. Maintaining effective records and administration
3. Write or draft letters on behalf of the Company.
4. Set the agenda with the Chair, take minutes of meetings, distribute previous minutes and agendas for forthcoming meetings.

### **15. The Role of "ex officio" Officers:**

1. Members that serve as Company *ex-officio* members are appointed because they represent the views and values of other affiliated organisations which may benefit the effectiveness of the Company.
2. They have all the rights and obligations of the board or committee that they serve on. This includes the right to discuss, debate, make decisions and vote. The appointment is by virtue of the role within the affiliated organisation, rather than the individual.

### **15. Election of Auditor:**

An Auditor, who is a qualified accountant, shall be elected annually at the Annual General Meeting to audit the books of the Company for the ensuing year.

### **16. Annual General Meeting ("AGM"):**

1. The financial year of the Company shall end on the 31st of December and the AGM, at which the election of Officers and Committee and the presentation of the report and financial statements shall take place, shall be held before 1st September of each

year. Notice of the AGM shall be sent to each tenant with a copy of the Accounts at least 14 days before the date of such meeting.

2. Any matters for discussion must be forwarded in writing to the Secretary at least 7 days prior to such meeting for inclusion on the agenda.

#### **17. Agenda:**

The agenda for the AGM shall be communicated to tenants and the Management Committee at least 7 days before the AGM but known items of the agenda may be included in the notices of the Meeting.

#### **18. Voting:**

Only tenants of the Company can attend an AGM, but they have no voting rights.

Voting for the Election of Officers and members of the Board shall be by a show of hands, except when contested, then by ballot.

#### **19. Extraordinary General Meetings:**

1. An Extraordinary General Meeting shall be called upon a requisition signed by at least 10 tenants, specifying the object of the meeting, and forwarded to the Secretary, who shall convene a Meeting within 14 days of receipt of such requisition, 7 days' notice of such Extraordinary General Meeting to be given.
2. The business shall be specifically stated on the notice of such meeting and any resolution or resolutions to be submitted shall appear on the notice. No other business shall be transacted at such Meeting.
3. The Board shall also have power to call a Special General Meeting whenever it is deemed advisable. 7 days' notice of such meeting shall be given to all members.

#### **20. Alterations to Rules:**

Alterations or additions to the Rules shall be made only at a General Meeting.

#### **21. Indemnity:**

The Officers and *ex-officio* Officers of the Company shall be entitled to be fully indemnified by the Company in respect of their legitimate actions and expenses entered or incurred in good faith on behalf of or in the interests of the Company.

#### **22. Dissolution:**

1. The Company may be dissolved upon a resolution supported by 75 per cent by ballot of the BHC Management Committee at a meeting specially convened for that purpose.
2. As the Company has no beneficial owners, the Middleton-on-Sea (Beach Huts) Limited Management Committee shall transfer the assets to The Middleton on Sea

Association (MOSA) who will ring fence any funds transferred, to meet the aims and objectives described in section 2 of the main Governance section at the beginning of this document.

These are:

- a. To acquire, manage and let Beach Huts at Middleton on Sea, West Sussex.*
- b. To upkeep the general area associated with the Beach Huts and;*
- c. Generally, preserve any property owned or within the control of the Company in the interests of the residents of Middleton on Sea and the tenants of the Beach Huts.*

8<sup>th</sup> March 2023

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