



2.0 Running Your Organisation

Effective Annual General Meetings

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Introduction

The **Annual General Meeting (AGM)** is a formal yearly meeting of the members of an association, company, charity or other organisation, for the purposes of holding elections and reporting on the year's events.

The requirement to hold an **AGM** is included in the governing document of most voluntary organisations and is a legal requirement for the majority of charities and companies.

Your organisation's AGM provides an opportunity to elect members of the governing body, as well as enabling members of the organisation to have a say about its running and ensuring accountability.



Image: Group meeting

The **AGM** also provides an opportunity for members or beneficiaries to review the financial position of their organisation. Normal practice is for accounts relating to the previous year to be discussed at the meeting. It also gives the members an opportunity to vote on the **appointment** or **retirement** of any members of the governing body and it provides a forum to discuss any issues in a group arena. **AGMs** may also be used to make amendments to the governing document.

What Should We Do at Our AGM?

The procedure for carrying out your **AGM** will usually be laid down in your organisation's governing document e.g. **the rules, constitution or memorandum and articles of association**.

You must follow what your governing document says about holding the **AGM**, including:

- How often **AGMs** should be held
- How much notice you have to give (**usually 21 days**)
- Who you have to notify about the **AGM** and how they should be notified
- The quorum, which states how many members need to be in attendance for the **AGM** to be valid
- The rules for nominating and electing members of the governing body
- Who can vote at the **AGM** and how the votes will be counted
- The procedure for making any changes to the governing document at the **AGM**

You will need to prepare and present a report on the accounts for the last year before your **AGM**. The Chair of the governing body usually chairs the **AGM**. If the Chair is not available, someone else should agree to chair the meeting at the start.

NB: There are additional requirements for registered companies and charities. Please see the sections below for companies and charities.

Sample Agenda for an AGM

1. Apologies for absence
2. Minutes of the previous **AGM**
3. Report from the governing body on the organisation's activities during the last year
4. Presentation of the annual accounts for the last financial year
5. Appointment of the independent examiner or auditor for next year's accounts
6. Election of governing body members and any honorary officers (**Chair, treasurer, secretary**)
7. Approval of any changes to the governing document
8. Any other resolutions

General Good Practice Tips for Planning and Convening an AGM

- Plan well in advance and make sure you leave enough time to prepare the annual report and accounts.
- Invite funders and partners.
- Be clear about whether you will accept nominations for trustees from the floor.
- Remember to keep an accurate, up-to-date list of the organisation's members so that they are all invited and you know precisely who is eligible to vote.
- Make sure you have enough copies of all the documents.
- Think about accessibility, including venue and facilities, crêche, clear language and papers available in translation.
- Give members a brief description of each person seeking **election** or **re-election** at the **AGM** and make each person the subject of a separate resolution.
- Ensure that the governing document and any standing orders are available at the meeting.
- Make sure the meeting is properly minuted.
- Ensure all necessary information and forms are sent to **Companies House** and / or **The Charity Commission** within the required period after the **AGM**.

Publicising Your AGM

It can be difficult to get people to attend an **AGM**, so think about how you will publicise the meeting to your members and other stakeholders. Consider booking an interesting speaker or holding your **AGM** as part of a bigger event that is likely to attract members.

Registered Charities

Registered charities will need to follow **Charity Commission** regulations explained in **Charity Reporting and Accounting: The Essentials**

If your organisation is a charity, you must also check whether you need to get your accounts independently examined or audited.

If you want to make changes to the charity's governing document at the **AGM**, you will need to follow **Charity Commission guidance on Changing Your Charity's Governing Document (CC36)**.



Please be aware that you will need permission from the Charity Commission for some changes.

Registered Companies

The **Companies Act 2006** brought in new laws that state there is **no legal requirement** to have an **AGM** now, unless your governing document specifically states that you should do. Company business at an **AGM** will be defined either as **Ordinary Business** or **Special Business**.

Ordinary Business

- Presentation and consideration of the accounts, balance sheet, director's report and auditor's report (if the last is required).
- Election of directors.
- Appointment of auditors for the next financial year (if required).

Ordinary business requires an ordinary resolution, 21 days' notice for an **AGM** and needs a simple majority of the votes cast **i.e. more than half the votes**.

Special Business

This is any business, which is not **ordinary business** and depending on what is proposed, requires a special, elective or ordinary resolution. Different types of resolution require different notice periods and majorities, and some must be notified to **Companies House**.

Organising a Company AGM

If your organisation is a company, the starting point for your **AGM** is to consult your organisation's articles of association. Where your articles of association do not cover an issue, you should refer to company law to find out what to do.

Company law sets down some very clear and specific rules for convening a company's **AGM**. For example:

- Notice of the **AGM** must be sent to all company members, all directors and the auditors.
- Unless the articles say otherwise, notice must be in writing and must be either posted to an agreed land or electronic address, delivered by hand or in person.
- Except in limited circumstances, the statutory period of notice for an **AGM** is 21 clear days.
- The annual accounts, auditor's report (if required) and the director's report must be sent not less than 21 days before the **AGM** (unless all members entitled to vote have agreed otherwise).
- Unless the articles of association require otherwise, the quorum for a general meeting of a company is two members personally present (**i.e. not represented by proxies**).
- Unless the articles of association state otherwise, decisions made at company meetings are made by voting on a show of hands or the giving of appropriate signals. However, members have the right to demand a poll or written ballot and you may wish to have a poll for certain resolutions anyway.

Information Required in the Notice of Your Company's AGM

- Date/time and place of the meeting.
- A statement that it is an **AGM**.
- The exact wording of any special or extraordinary resolution and a statement making the nature of the resolutions clear.
- Exact wording or general explanation of ordinary resolutions.
- Details of postal voting (if allowed), proxy voting (if allowed) and a deadline for submitting a proxy form.
- Any members' resolutions that have been properly requisitioned, **i.e. requested by 5% of voters, signed and delivered to the company at least 6 weeks before the AGM.**

Further Information

Charity Commission for England and Wales

Tel: 0845 3000 218

<https://www.gov.uk/government/organisations/charity-commission>

Companies House

Tel: 0303 1234 500

<https://www.gov.uk/government/organisations/companies-house>

Regulator of CICs

Tel: 029 20346228

<https://www.gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies>

Financial Conduct Authority

<https://www.fca.org.uk>

Prudential Regulation Authority

<http://www.bankofengland.co.uk/pru/Pages/default.aspx>



Cefnogi Trydydd
Sector **Cymru**

Third Sector
Support **Wales**

Third Sector Support Wales is a network of support organisations for the whole of the third sector in Wales.

It consists of the 19 local and regional support bodies across Wales, the County Voluntary Councils (CVCs) and the national support body, Wales Council for Voluntary Action (WCVA).

For further information contact
<https://thirdsectorsupport.wales/contact/>

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