

CSC GC Report on incorporation of company limited by Guarantee

Background for Business Registration certificate

- Shehara De Silva past president of club (Jan-March 2024) had raised with management and interim GC the anomalies of obtaining licences without a BR and this needed attending to by the incoming GC
- Club Management have raised the need to obtain a Business Registration to comply with the request from statutory bodies for licence renewal effective 2025 to the President around April 2024
- These include,
 - 1) Excise department – liquor license – valid period 1st January – 31st December – next application process begins 15th October 2024 for 2025 calendar year
 - 2) CMC – trade licence – for Revenue of business purposes – Renewal application January every year to be renewed before 31st march every year.
 - 3) Sri Lanka Tourism and development authority –Operating licence - for rooms in excess of 15 being operated in an establishment- Renewal application October every year.
 - 4) Central Environmental Authority - EPL (Environment protection licence) for compliance – renewal every March once in 2 years
- For all these 4 statutory bodies among loads of other supporting documents a business registration certificate / number is a prerequisite for obtaining such licences. All applications for these bodies state the requirement of a BR to obtain the respective licences.
- For years the club has been obtaining these licences without a BR by resorting to good will measures to obtain them – example distribution of hampers, using connections at GC level.
- The Management of the Club had informed the President that the club was on last notice by these bodies and when renewing the next time, a BR will have to be provided.
- President has instructed the Management to attend to getting the BR done specifically by Club GM and HOF.

Chronology of registering for BR

- Around end April 2024 on informing the President on the matter, the Club Management was given the green light to explore getting this BR. The management sent club admin staff member to the Registrar of companies to obtain forms for such registration
- The ROC had informed the club rep to use a registered company secretarial services for this purpose
- A contact person providing such services had been given to the club rep who had passed the details onto the GM of club
- The GM had contacted Mr Laxman Jayalath from J&A secretarial services (who was the recommended person by the ROC) and requested him to proceed with the need to obtain a BR
- May 8th, 2024, the GM emailed HOF confirming he had met Mr. Jayalath in respect of the BR and included the application instructing HOF to move fast on the matter. Mail copied to club President only
- May 8th, 2024 – HOF emailed the required registration forms to club accountant asking the forms to be filled including other documents required copying GM and club President only
- May 9th 2024, club accountant filled the form and emailed back requesting to verify with secretarial services company before finalising; copying GM and President only
- Between May 15th and May 22nd some mails were exchanged between HOF and Mr. Jayalath covering annual reports, Jayalath's bank details for payment, checking of constitution and articles of club for this exercise. These mails were only copied to GM and club accountant.
- May 27th club accountant emails the entire GC requesting GC member personal information to obtain the Business Registration with a copy of the relevant page in the form to be filled.
- May 28th some GC members have given this information by email, some the club had already, and some came and gave it in physically when at the club to the accountant
- May 29th, 2024, the HOF emails Mr Laxman Jayalath forwarding all the GC members details asking a question if this can be incorporated as an association? Email copied to only GM and club accountant.
- Between May 29th to July 3rd there were no emails to be traced.

- It is assumed that after May 29th at various intervals the GC members physical signatures were obtained by the club accountant as and when they were present at the club – The GC members were not aware of the details of this exercise beyond believing that it was being done to obtain a Business Registration number (oversight by the entire GC collectively) in order to obtain the relevant licences to operate the club
- On 3rd July 2024 the HOF sends an email to club President, VP , club secretary and GM copying General member and club accountant only – This email informs the recipients that the club is in the process of completing this exercise giving some details including the name has been approved by the ROC , paper advertisements attached , and other relevant details on finalising articles to align with current club and regulatory requirements stating there is a 21 day waiting period before the next steps which include the finalised articles and submitting the final registration forms – No reference to this company being constituted as limited by guarantee company in this email. There is no response from any of the recipients (since it was for information purposes one can presume again it was construed in conjunction with the BR being obtained for the specific purpose of the renewal of the respective licences)
- No further correspondence on this matter could be traced there- after until the 24th of September 2024.
- On the 24th of September HOF emails the President, VP, Club secretary, GM copying General Member and club accountant only attaching the BR, articles , form 5 , form 18 and form 19 (by this time the company had been registered on 16th September unbeknown to any of the GC members)
- September 24th the Club President responds to the email asking the question whether the secretarial services company can incorporate this company within the scope of the constitution which needs explanation assuming the said articles and constitution can be changed at a future SGM also referring to Julius and Creasy who have been engaged to draft a new constitution.

(This would appear that the club President was then unaware that the company had already been incorporated on the 16th of September and was possibly mistaking these email chains were in relevance to discussions on the same subject with J&C)

- There is no further correspondence on the matter traced after 24th September 2024.

Costs incurred over this exercise (registration and cancellation)

- total registration costs – Rs 240,000 (secretarial services company fees and other ROC fees)
- cancellation fees – estimated Rs 75,000 (includes secretarial company fees, ROC and a Zero audited transaction, assets and liability zero accounts submission return)
- Total cost estimated Rs 315,000

Time line for strike off / cancellation as advised by J&A secretarial services (estimated)

- Cancellation online submission week of 14th October 2024
- ROC will send a letter to club (2– 4 weeks) confirming the company is to be struck off.
- ROC sends a 2nd letter subsequently to club with copies to tax department to obtain no objection letters to strike off the registration (2 -4 weeks)
- on receipt of these confirmations the cancellation will appear in the Government gazette notices for this purpose (mandatory 3 month waiting period as per national laws on this list)
- estimated time to complete minimum 4 months maximum 6 months
- Mr Jayalath from J&A secretarial services will use his goodwill at ROC to expedite their part as quickly as possible

Julius and Creasy Constitutional revamping exercise

- J&C were not involved at all in the exercise of the registration of the company to obtain the BR
- Independent of what was taking place with J&A secretarial services a sub-committee was formed to explore constitutional changes in keeping with the mandate received at the AGM in March 2024
- This sub- committee included the President, Vice President, Club secretary and one Additional Trustee

- One meeting took place with Julius and Creasy on or around the 15th of May 2024 where they recommended that a company Ltd by Guarantee would be the recommended way forward in revamping the constitution.
- This was followed up by an email on or around the 16th of May 2024.
- Thereafter no further meetings were conducted but there were conversations between the club secretary and J&C on calling for a SGM where they were to present to the membership the merits of the recommendation of incorporating a company limited by guarantee and if the membership agreed to such, then the revamping of the constitution would take place inclusive of this recommendation. No further details were discussed barring presenting this to the membership for approval before proceeding to the next phase.
- It was in keeping with this premise that the 2nd November SGM was called (including other items that needed membership approval)
- There was no correlation between the suggestion made by J&C to incorporate such a company and that the same entity was being formed through J&A secretarial services parallel to all the discussions that were taking place with J&C (The two exercises were not connected at all by the GC members – J&C progress was discussed at GC meetings)

Cancellation of SGM

- Once the notice went out it then transpired through awareness from a section of the membership that the agenda item to obtain approval was invalid since the company had already been registered on the 16th of September 2024 (The GC only then made the connection that the exercise of applying for the BR for the purpose of obtaining the respective licences and the company Ltd by guarantee were linked)
- Following this around 30 members of the club called for a meeting with the GC which took place on the 6th of October 2024
- The GC explained the bona-fide oversight in what transpired at this meeting and the cross section of members requested for this company to be cancelled immediately and the SGM to be cancelled as well immediately.
- The SGM was cancelled subsequently and the documents have been signed to strike off this company with the ROC . J&A secretarial services will provide proof of the cancellation process being initiated together with a covering letter shortly (week of 14th October 2024)

- There are no liabilities associated with the formation of this company as it was just a shell company (the understanding of the GC was this was done only to obtain a BR for the renewal of the statutory licenses)

Failures

- This matter was never tabled at a GC meeting for any discussion.
- All signing was done offline individually by GC members on the understanding it was to obtain all statutory licences
- Management also missed communicating clearly to GC members what was really happening regarding this company registration since they were the ones handling it with the chosen company secretaries
- No meeting took place between any GC member and J&A secretarial services during the course of this exercise
- GC members did not make any connection between the matter being pursued by J&A secretarial services and the exercise being mooted with Julius and Creasy
- Mr Jayalath from J&A secretarial services was called on the 8th of October 2024 to obtain the signatures to strike off the company which was the first time members of the GC had met him (A major oversight in not meeting him over the matter for clear clarity on what was being done)

General Committee
Colombo Swimming Club

16th October 2024.

16.10.2024

President

Colombo swimming Club

148 "Storm Lodge" Galle Road 3, 00300

Subject: Status of Strike-Off Request for Colombo Swimming Club-GA00310043

We would like to inform you that we have submitted the request for the strike-off of Colombo Swimming Club to the Registrar of Companies. The request is currently under process, and we anticipate finalizing this within six months.

For your reference, you may find attached the relevant dashboard statements.

COMPANY Incorporated

COLOMBO SWIMMING CLUB **GA00310043**

240619221606  Date : 2024-09-16

Address : "Storm Lodge", No. 148, Galle Road, Colombo 03, Thimbirigasyaya

Certificate [Download](#)

[Processing Strike Off](#) [Liquidation](#) [Name Change](#) [Other Changes](#)

Thank you for your understanding.


J & A SECRETARIAL AND MANAGEMENT SERVICES (PVT) LTD
LICENSED COMPANY SECRETARIES
RCS2000234