



THE ANGEL ASSOCIATION NEW ZEALAND INCORPORATED  
(the **Association**)

NOTICE OF ANNUAL MEETING

The Association gives you notice that the annual meeting will be held at the offices of Minter Ellison Rudd Watts, Lumley Centre, 88 Shortland Street, Auckland commencing at 4:30PM on Wednesday 18 November 2009.

The business of the meeting will be:

**ORDINARY BUSINESS**

1. **Resolution 1: Annual report and appointment of auditors**

To receive, consider and (if so decided) to approve the financial statements of the Association for the year ended 31 March 2009, and the report of the Council and to appoint auditors:

*“That the financial statements of the Association, for the year ended 31 March 2009 be received and approved.*

*That the Association will not appoint auditors to audit the Association’s financial statements.”*

2. **Resolution 2: Notice of Fees**

To receive, consider and (if so decided) to approve the fees for the current membership year:

*“That the fees for the current membership year be received and approved.”*

3. **Resolution 3: Registration with the Charities Commission**

To consider and, if thought fit, to pass the following resolution:

*“That the Association will apply for registration with the Charities Commission under the Charities Act 2005.”*

**SPECIAL BUSINESS**

4. **Resolution 4: Alteration of Constitution and Rules by Special Resolution**

To consider and, if thought fit, to pass the following Special Resolution:

*“That the Constitution and Rules for the Association, altered in accordance with the proposed changes as appended to this notice and tabled at the annual general meeting, be and is hereby adopted as the amended Constitution and Rules of the Association.”*

**FURTHER BUSINESS**

5. The annual general meeting may also transact any other business of which notice has been given in accordance with the Rules and Constitution.



## EXPLANATORY NOTE

### Resolution 3

In order to be eligible for certain income tax exemptions, a charitable entity must be registered with the Charities Commission under the Charities Act 2005. Once registered, income derived by the entity from investments, such as interest, and business activities is tax exempt. If no exemption is applicable, an incorporated society's income is taxed at a rate of 30%.

### Resolutions 4

In order to be registered with the Charities Commission the following amendments to the constitution are proposed:

In relation to Rule 1.4 (Objects), to be a registered charity the entity must be carried on for charitable purposes for the benefit of the public. Whether the promotion of industry and commerce is charitable lacks legal certainty and clarity. In some instances the courts have found that the promotion of industry or commerce could be charitable where such promotion has been for the benefit of the public as opposed to a specific group of persons.

Rule 1.4 currently provides that "developing an industry strategy and industry benchmarks for success for angel investment" is the main purpose of the Association, and it is arguable that this purpose is not charitable. The advancement of education is a recognised charitable purpose; therefore, it is proposed that the Constitution be amended by re-arranging the Objects of the Association so that the clearly charitable objects are listed first.

A new Rule 5.1 (No Private Pecuniary Benefit) is to be inserted. This rule is mandatory for registration with the Charities Commission and prohibits members (and associates of members) from obtaining private benefits from the Association - i.e. they are not permitted to derive a profit from the Association (but they can be paid market rates for any goods or services provided to the Association).

Rule 5.2 (Amendments to Rules) to be amended by the insertion of a new sub-rule providing that any amendments to the Rules which result in the Association no longer meeting the requirements for registration as a charity are null and void. Strictly speaking, this amendment is not required for registration with the Charities Commission but its inclusion is recommended to bolster the application.

Rule 5.4 (Winding Up) to be amended so that upon winding up of the Association, any property remaining has to be transferred to another charitable entity which has objects similar to the Association. Prohibiting the distribution of remaining assets to members of the Association is mandatory for registration with the Charities Commission.