

WHY IS THE VILLAGE HALL CONVERTING FROM A CHARITABLE TRUST TO A CHARITABLE INCORPORATED ORGANISATION?

In line with many Village Hall Charities, Fontmell Magna Village Hall has been encouraged, as a Charity that owns assets, to convert from a simple Charitable Trust to a Charitable Incorporated Organisation, known in general as a CIO.

The Village Hall would still be accountable to the Charity Commission, our reporting would be slightly different, but our annual accounts would be submitted online in a very similar way to as now.

At present, as a Charitable Trust, the Trustees have to act personally on behalf of the Charity, such as when signing a lease or owning property.

A CIO structure gives a charity legal capacity to do things in its own name because, like a charitable company, it is a legal entity with a separate legal personality. This means it can own freehold property, take on leasehold property and enter into contracts in the charity's name.

The members or trustees also benefit from limited liability in the same way as that afforded to Company Directors in Limited Companies. This protection can provide peace of mind to existing and future Trustees and encourage competent people to take up trusteeship roles without fear of personal financial loss.

The Village Hall is in the process of converting to a CIO and has registered the new Charity with the Charity Commission so we already have the new Charity Number of 1204403.

As part of the process we need to transfer the old Charity's (301129) assets to the new CIO and close it down.

Following the rules set down by our Governing Document (Rules of Procedure and Original Trust Deed) we have called an Extraordinary General Meeting (EGM) in order to have a Village vote on the following Resolution:

Resolution

That the registered charity Fontmell Magna Village Hall (registered number 301129) shall transfer all of its assets to the Charitable Incorporated Organisation Fontmell Magna Village Hall (registered number 1204403) when the procedures required by the Charity Commission for this transfer have been completed.

In order to pass this resolution we need 2/3rds of those present to vote in favour of the Resolution. Trustees are not permitted to vote on this resolution because they will benefit from the change to limited liability for all Trustees. The Trustees will leave the room before the

Vote and the vote will then be taken by a show of hands called as follows: those in favour, those against and abstentions.

Just to give those attending a bit more background to this:

We have been looking over the past few years at our land ownership and our leases and in order to benefit from CIO status and hold property in the name of the Village Hall (rather than individual trustees) we wish to move ahead with the following:

- The registration of the land belonging to the Village Hall Charitable Trust with the Land Registry – this land was never registered.
- The re-drafting of the historical conveyances, deeds and governing document, removing the names of the individual trustees (many now deceased) and replacing them with the CIO Charity, Fontmell Magna Village Hall.
- Negotiating a new Lease with the Parish Council for the land on which the Village Hall stands in the name of the Village Hall rather than in the names of Trustees who also now are deceased.

As explained earlier, to pass the property and lease to the CIO we need a resolution passed by an EGM to transfer the assets of the Charitable Trust 301129 to the Charitable Incorporated Organisation 1204403. If this is carried out at an EGM it removes the conflict of interest of the existing trustees of the old charity (who are liable for the debts of the charity) passing the assets to a CIO with the same named trustees who would not be liable for the debts of the CIO.

Please support the resolution and allow us to continue our conversion to a CIO which will be of great benefit to the Village and the future of the Village Hall.

Fontmell Magna Village Hall