

## **NOTICE OF A SPECIAL GENERAL MEETING**

**NOTICE** is hereby given of a **SPECIAL GENERAL MEETING** of Havant U3A to be held at Bedhampton Community Centre, 21, Bedhampton Road, Havant PO9 3ES at 2pm on Thursday 21 November 2019, when the following resolution will be proposed:

**It is RESOLVED, subject to the approval of the Third Age Trust, to make application to the Charity Commission as soon as practicable to register Havant U3A as a Charitable Incorporated Organisation with the same object clause and the same trustees as at present in order to secure the benefits of incorporated status and, until incorporation is approved by the Charity Commission, Havant U3A will continue to operate in its present form as an unincorporated charitable organisation.**

### **Background.**

Havant U3A was set up in 2012 as an unincorporated charitable organisation, under the umbrella of the Third Age Trust (TAT) subject to the oversight of the Charity Commission

At the time, there was no realistic alternative for small charities, but with the passage of the Charities Act 2011, a new form of charitable organisation was devised referred to as a **Charitable Incorporated Organisation (CIO)** giving trustees protection.

### **The issue.**

All trustees of an unincorporated charity are personally liable for the debts and obligations of the charity.

Although Havant U3A has the benefit of comprehensive insurance cover through TAT, and it is to be hoped that the trustees will be fully indemnified in respect of any claim, the fact remains that insurers are notorious for finding ways to avoid their responsibilities and there is no merit in accepting this risk if there is an obvious alternative approved by the Charity Commission and already in use by some U3As.

Moreover, it may well be that members will be more willing to join the management committee of Havant U3A and assume the responsibility of trusteeship once the risk of personal liability is removed.

### **The solution.**

The creation of a CIO, which is a separate legal entity. This is a new form of charitable organisation overseen by the Charity Commission. It is not a limited company, nor subject to company law. It is nevertheless, a legal entity in its own right. However, a CIO can only

come into being once a revised constitution is approved by the Charity Commission. Helpfully, the Charity Commission provide a model constitution for us to adapt.

### **The Advantages.**

The trustees benefit from the protection of limited liability in respect of claims provided, of course, that they act properly. This means that they are not personally liable in the event of claims arising as a consequence of an accident for example which, for whatever reason, is not covered by insurance.

Limited trustee liability may make it easier for Havant U3A to recruit and retain trustees.

### **The Disadvantages.**

There are **NO** disadvantages arising as a consequence of Havant U3A registering as a CIO.

### **Consequences of conversion to CIO.**

The Trustees are protected from personal liability and this may help attract more trustees onto the management committee.

We must contact HMRC to set up a new arrangement for Gift Aid.

Our present structure will continue whilst we register the CIO with the Charity Commission.

We will be allocated a new charity number by the Charity Commission.

The present trustees will continue in office until the first AGM of the CIO and, in any event, the purpose of our U3A as set forth in our constitution, namely the advancement of education of older people and those who are retired from full time work (the object clause), will remain the same.

### **Questions**

Although time will be available at this Special General Meeting to answer questions, I would encourage you to contact me in advance of the meeting, either by telephone on 012392 479384 or email at [wstjoh@icloud.com](mailto:wstjoh@icloud.com), to raise any questions or concerns you may have, and I will endeavour to answer them.

John West. (Chairman).