



3<sup>rd</sup> December 2016

Dear Member,

**Notice of EGM to consider composite resolutions both to transfer assets of Western Chan Fellowship ('WCF') to Western Chan Fellowship CIO ('WCF CIO') and to authorise subsequent dissolution of WCF**

Attached to this letter is a formal notice of:-

an **Extraordinary General Meeting** ("the EGM") of Western Chan Fellowship (reg. charity 1068637) to be held on **Saturday 28 January 2017** at 11.00 am at St Werburghs Community Centre, Horley Road, Bristol BS2 9TJ.

At this meeting a vote will be held on the adoption of the proposed structural changes to the Western Chan Fellowship. The proposal is that, keeping the name unchanged, the Western Chan Fellowship will move to a more modern charitable structure that has been made available by the Charity Commission.

The WCF Trustees (the Executive Committee members) unanimously support this proposal and present the details in full in this letter hoping to gain your attendance and vote in support of these resolutions. Knowing that not all of you have time to read all of this comprehensive account we also provide a brief summary, with the details following for those who wish to read them.

### **Summary**

- Currently the WCF is a *Charitable Unincorporated Association*. As such the trustees (Executive Committee members) carry unlimited personal liability. This has always been somewhat uncomfortable but is increasingly so in such a litigious age.
- The Charity Commission has created a new charitable structure, the *Charitable Incorporated Organisation* (CIO), which has some of the characteristics of an association (such as a membership which has voting power at AGMs) and some characteristics of a limited company (such as limited liability for the trustees).
- We have created a new charity, *The Western Chan Fellowship Charitable Incorporated Organisation* (public name *Western Chan Fellowship CIO*) which has a very similar constitution to WCF, with only minor differences where the new structure required it or where aspects of the current WCF required updating (e.g. the WCF constitution did not foresee a WCF with multiple teachers and is worded on the assumption of a single Teacher).
- Adoption of the resolutions proposed at this EGM will enable *Western Chan Fellowship* ('WCF') to transfer all its activity and assets to *Western Chan Fellowship CIO* ('WCF CIO'), and invite members of WCF to transfer their membership to WCF CIO.

## Background

The WCF trustees (Executive Committee members) are WCF members who volunteer to take on responsibility for the day to day running of the WCF. The WCF is not a limited liability company ('Ltd Co') but a 'charitable unincorporated association'. Unlike the managers of a Ltd Co the trustees of an unincorporated association bear unlimited liability in the event of large claims being made against the WCF. For some protection against that risk the WCF pays for insurance to protect its trustees, but all insurance has circumstances in which it may not pay out, leaving the trustees personally responsible for the claim to the extent that their houses could be at risk.

This has always been somewhat uncomfortable for individual committee members but is increasingly so in such a litigious age. It can discourage individuals with skills and experience to offer from becoming involved with the committee and it could influence discussions and decisions as the committee considers possible development of WCF.

It has always been possible for a charity to be a Ltd Co but there are disadvantages with this option which is why WCF has not pursued it. Recognising the issues for trustees and the difficulties in overcoming them, the Charity Commission has created some new forms of charity structure. The one that is closest to current WCF structure is the Charitable Incorporated Organisation (CIO), which comes in two varieties one of which has a membership with voting power just like the current WCF structure.

The committee has examined these alternative structures and taken professional advice and concluded that the CIO (with membership) is the best choice for the circumstances of WCF<sup>1</sup>. For technical reasons our route to converting WCF to a CIO is to create a new CIO and then transfer WCF activities and assets to that new charity. Then we can dissolve the 'old' WCF, leaving the 'new' WCF CIO as the active organisation operating in the same way as we are used to.

## Western Chan Fellowship CIO

With professional guidance, the WCF has created a new charity, *Western Chan Fellowship CIO* ('WCF CIO'), which is now a registered charity in England and Wales, number 1166162.

Those of you present at the 2016 AGM will remember that we had planned to use a different name for the new organisation but our choice of name proved unsatisfactory and so we have renamed the CIO to *Western Chan Fellowship CIO* and have no plans for any further change of name.

In creating the articles (constitution) for WCF CIO we aimed to parallel the WCF constitution as closely as possible. We made some small changes where the current WCF constitution needed tidying up and we had long known that changes were needed. Indeed we discussed and agreed some of these with John Crook as long ago as 2010 and 2011! For example the original WCF constitution did not foresee a WCF with multiple teachers and is worded on the assumption of a single Teacher. Some more small changes relate to requirements to meet the slightly different regulations for a CIO compared to our current constitution, but overall we were able to match the current WCF constitution surprisingly closely. The WCF CIO articles are available for anyone who wants to compare them with the current WCF constitution either:-

- on the WCF web site, log in to the Members page and then click on "WCF Organisational Changes", or
- go directly to <http://w-c-f.org/Q630> or
- email Jeremy Woodward at [treasurer@westernchanfellowship.org](mailto:treasurer@westernchanfellowship.org) who will send you copies.

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<sup>1</sup> <https://www.gov.uk/guidance/charity-types-how-to-choose-a-structure>

For practical reasons in establishing WCF CIO it currently has only four members: Simon Child, Fiona Nuttall, Jeremy Woodward, and Jake Lyne. As we transfer activity and assets from WCF to WCF CIO all current members of WCF will be offered a 'free transfer' to WCF CIO membership.

### **Implementing the Changes**

The WCF trustees feel that this change of structure is important, not only for our own protection but also to facilitate development of WCF. To do this the WCF (registered charity no. 1068637) needs to transfer its activities and its assets to the new organisation WCF CIO (registered charity no. 1166162). WCF will then operate under the new structure as WCF CIO.

The EGM is being called to vote on a series of resolutions which will enable this transfer of activity and assets to WCF CIO, and subsequent dissolution of the present WCF once these actions have been completed.

The formal notice of the EGM, with the resolutions attached, is enclosed with this letter.

### **How will this be done?**

This is all possible under the current WCF constitution clause X which specifically deals with dissolution and reads as follows:-

#### **"X Dissolution.**

If the Executive Committee decides that it is necessary or advisable to dissolve the Charity it shall call a meeting of all Members of the Charity, of which not less than 21 days' notice (stating the terms of the resolution to be proposed) shall be given. If the proposal is confirmed by a three quarters majority of those present and voting the Executive Committee shall have power to realise any assets held by or on behalf of the Charity. Any assets remaining after the satisfaction of any proper debts and liabilities shall be given or transferred to such other charitable institution or institutions having Objects similar to the Objects of the Charity as the Members of the Charity may determine or failing that shall be applied for some other charitable purpose. A copy of the statement of accounts, or account and statement, for the final accounting period of the Charity must be sent to the Commissioners."

The resolutions attached to the notice with this letter will, if passed at the EGM, give authority for WCF to transfer all its assets to the WCF CIO, then (some time later) to dissolve the WCF once its successor the WCF CIO is fully operational.

Although in the resolutions there is no specific date set for the dissolution of WCF, the course towards dissolution of WCF is set in motion by the passing of these resolutions and will then happen without further reference to you, the members. This is why it is important that you understand this process.

While the WCF under its current format will cease to exist, its activities and objects will continue to be carried out by the new WCF CIO. It is intended that the changeover will be as seamless as possible. The continuation of the core name will help in this.

This means that the WCF CIO, in succession to WCF, will continue to run the current retreat programme as already published and Maenllwyd will continue to be the main retreat venue for its retreats. All local groups will continue as before, becoming being groups affiliated to WCF CIO as the successor charity to WCF. Although technically the WCF is being dissolved and replaced by a new organisation, in effect the WCF continues just as before albeit with a name just three characters longer!

### **What about my membership of WCF and the WCF CIO?**

If the resolutions are passed at the EGM, one of our tasks will be to write to every existing member of WCF to invite them to become a member of the WCF CIO. We would hope to do this later in 2017.

This transfer of membership will be at no cost to any member as, if you choose to transfer your membership to the new format, the balance of your subscription already paid for WCF membership for 2017 will be credited to you as the membership fee due for the WCF CIO for the rest of 2017.

The letter to each of you will invite you also to stop your current standing order to the WCF bank account which most of you have kindly set up and set up a new one on a new form (to be attached to the letter of invitation) with your bank for the WCF CIO's new bank account. We cannot do this for you so this will be one unavoidable task for each of you arising out of the transfer of activity to the WCF CIO.

**Until you receive this letter of invitation later in 2017, please don't cancel your standing order to WCF. If you want to vote at the EGM, you'll need it to be in place to pay your 2017 subscription.**

Equally you will need to be a member of WCF at the time of its (last working) AGM in late spring or early summer 2017 to participate actively in this event.

### **When will all this happen?**

The resolutions set a target date of 30<sup>th</sup> June 2017 with a get out clause of "or as soon as reasonably practicable thereafter".

You will appreciate that there's lots to do and set up before the actual date of transfer, e.g. bank accounts and insurance to set up, transfer of assets, lots of people and organisations to notify, and retreat bookings to transfer.

While we will aim for this date, it may slip. We will notify all of you by email shortly after it has happened.

Equally, WCF itself may well not be dissolved until 2018 to catch, for example, any stray subscriptions which have not been cancelled by members and other odd receipts which have not been amended to go into the CIO's bank account.

If you have any thoughts on anything in this letter or any of its contents, please let our Chair, Fiona Nuttall, know at [Chair@westernchanfellowship.org](mailto:Chair@westernchanfellowship.org).

Yours in the Dharma,

Your Executive Committee – The Charity Trustees of Western Chan Fellowship