

Chipstead Players conversion to CIO

Notes for Members at the AGM on 8th September 2020

Earlier this year the Executive Committee were reminded that in 2015, the idea was mooted that the Players should become a Charitable Incorporated Organisation (CIO). At the time, the conversion was considered to be desirable but operationally cumbersome and time consuming. That process has now been simplified by the Charity Commission and indeed, our friends at the Chipstead Village Preservation Society (CVPS) have already gone down that route.

By way of background, as a Charity, the Chipstead Players is currently an 'unincorporated association'. Technically this means that as 'trustees for the time being', the Exec members collectively own its assets but also, each Exec member is personally liable in respect of its debts, liabilities and obligations.

Some of these liabilities can be covered to a degree by insurance but recognising that, in this modern world, personal liability is something to be avoided and corporate rather than personal ownership of charitable assets encouraged, the Exec decided to explore once again the option to convert to the corporate structure provided by a CIO.

In order to get the process in order, we have appointed Potheary Witham Weld (PWW) solicitors of Pimlico [on a very competitive fixed fee of £1,250 + disbursements (eg Land Registry fees) + VAT]. They specialise in Charity work and were recommended by two Chipstead locals – Chris Hayman who used them for such a conversion and, in turn, recommended them to Simon Kolesar for the CVPS conversion.

With long time member David Franks' help, the Exec have formulated from the existing Rules a new Constitution for the purpose. This has been referred to PWW and they have tweaked it to be 'Charity Commission' friendly. The current iteration of the new Constitution and a revised set of supplementary Rules are attached (along with the old Rules) for you to read through if you wish.

The main differences to highlight to you are as follows;

1. All Trustees will serve 3-year terms (rather than 1) but will be limited to a maximum of 3 terms (directly elected roles. Per note 3 below, are unlimited)
2. The new Exec/Board will consist of between 9 and 12 Trustees (rather than, up to 13) with the addition of a non-voting President.
3. The roles of President, Chair, Finance, and Artistic Director will be directly elected by the membership with any other roles being allocated by the Exec/Board (at present, only Admin and Theatre Director are additional member elected specific roles)

The Exec very much hope that the membership will agree to us proceeding with this conversion and, this is the process we will need to follow;

1. Explain at the AGM why we are proposing the change along with any significant differences between the old Rules and the new Constitution – the purpose of this note with a slot at the AGM on 8th September for questions
2. Seek approval at that meeting to proceed and subsequently finalise the wording of the Constitution and any additional Rules.

3. Set up the CIO as a new entity using the Charity Commission's online application form. The new CIO will sit alongside the old Charity while assets are transferred.
4. Transfer of Assets
 - a. According to the Land Registry, the freehold title to The Courtyard Theatre is currently vested in "The Trustees of the Chipstead Players". Any transfer requires the consent of the Charity Commission.
We will therefore need to organise the necessary paperwork in order to give the current members of the Exec the power to make the transfer to the CIO.
 - b. There is a standard form to complete for the transfer of all other assets.
 - c. Alert our professional advisers;
 - i. Banks/Investments – will often accept the transfer but might want us to set up new accounts. Start the process now.
 - ii. Insurers – there will be a change of interest which should be straightforward but we should ask them about the process.
 - iii. Auditors
5. Once the new CIO is established and all assets transferred, produce a nil value set of accounts and dissolve the old Charity.

Action for AGM

The Exec would like the AGM's authority to proceed with the steps listed in 1-5 above, with a view to having completed the conversion to CIO by the AGM in 2021.