

ASSOCIATION OF JERSEY CHARITIES

FURTHER EXPLANATORY NOTE TO MEMBERS IN ADVANCE OF THE GENERAL MEETING ON 7 NOVEMBER 2018

Introduction

1. This note follows on from the explanatory note sent to members on 9 October 2018 (the **Members' Explanatory Note**) with the notice of the General Meeting on 7 November 2018 (the **Notice**).
2. Terms used in this note will have the same meanings given to them in the Members' Explanatory Note and the Notice.
3. Following further discussions with the Charity Commissioner (the **Commissioner**) regarding the proposed restructuring of the Association and the proposed terms of the Trust, a number of points have arisen, which are set out below.

Amendments to the Trust Instrument

4. The Commissioner had a number of observations in relation to the terms of the draft Trust Instrument that was circulated to members with the Notice. That has led to various amendments being made to the draft Trust Instrument to address the Commissioner's observations. A copy of the amended Trust Instrument showing the proposed amendments is attached at Appendix 1 to this note.

Role of Enforcer

5. The principal amendment to the Trust Instrument is in connection with the role of the Enforcer. Members were provided with a note explaining the role of the Enforcer of the Trust when the Notice was sent to members (the **Note on the Role of Enforcer**). The Note on the Role of Enforcer still reflects the position save for one important difference: the role of the Enforcer will be limited to enforcing the purposes of the Trust to the extent necessary as a matter of law. All other powers that were previously vested in the Enforcer will now be vested in the Association itself, rather than the office of Enforcer.
6. Accordingly, the Association will continue to have the following powers:
 - (i) to appoint individuals to be trustees of the Trust;
 - (ii) to remove any trustee from office (and thereby determine the length of the term of office of a trustee); and
 - (iii) to appoint a new Enforcer to replace the Association.
7. The trustees will also still require the consent of the Association in order to:
 - (i) increase the maximum grant available in a single financial year;
 - (ii) make any amendment or change to the terms of the Trust (which would include any changes to the charitable purposes of the Trust);
 - (iii) release or restrict any of the trustees' powers or duties; and
 - (iv) terminate the Trust.
8. It is still envisaged that a committee of members will be established to conduct on behalf of the Association its powers under the Trust, subject to certain key decisions as set out in the Note on the

Role of Enforcer that would still require member consent at a General Meeting or Annual General Meeting.

9. As to the role of the Enforcer, that will be much more limited than it was previously and it is envisaged that the Association will nominate an individual from the membership body to perform that role.

Other amendments

10. The Commissioner made a number of other observations which are reflected in the amended Trust Instrument. Importantly, none of the proposed amendments affect members' rights as explained in the Members' Explanatory Note and the Note on the Role of Enforcer.
11. However, discussions with the Commissioner remain ongoing. Accordingly, members will be asked at the General Meeting to approve the Trust Instrument in its current (amended) form, subject to such further amendments as the Committee may consider necessary in order to ensure that an application to register the Trust as a charity under the Charities Law is approved. This is to allow discussions with the Commissioner to continue and for the Trust Instrument to be finalised and an application to register the Trust made without the need to revert to members.

Update in respect of the restructuring generally

12. The Committee had anticipated being in a position to provide members with a copy of the draft new constitution of the Association at the General Meeting on 7 November. However, discussions with the Commissioner regarding the restructuring of the Association are ongoing, so the new draft constitution will not be available at the General Meeting.
13. Nonetheless at the General Meeting, the Committee will provide an update in respect of the restructuring generally and in particular in relation to a change of name that will be required by the Commissioner with "The Association of Jersey Charitable Organisations" the proposed alternative. The Committee will also discuss the proposed future operation and activities of the Association.

Amended resolutions

14. A copy of the resolutions that were contained in the Notice, which have been amended to take into account the points explained in this note, is attached at Appendix 2.
15. The Committee remains of the view that the proposed restructuring is the most appropriate course of action for the Association and that the rights and interests of the existing members of the Association will be protected in all material respects by implementing the proposals as explained in the Members' Explanatory Note and as amended by this Note, and set out more formally in the amended resolutions in the Notice.
16. The Committee therefore recommends that members vote in favour of all of the resolutions

2 November 2018

Appendix 1

Amended Trust Instrument

Appendix 2

Amended Resolutions