

The Neotropical Bird Club
(Registered Charity Number: 1040130)

Dear Member

Proposal to convert to a CIO

Special General Meeting

I am pleased to enclose the Notice of Meeting for a Special General Meeting of the Club ('SGM'). This will be held on Saturday 21 August 2021 at 7.30pm at Community Hall, St Mary's Church, Long Ditton, Surrey. With the planned lifting of Covid-19 restrictions relating to public gatherings later this month we hope to be able to welcome members to the meeting in person. However, if restrictions are not eased, we have contingency plans and will keep members updated on developments through the Club's website at www.neotropicalbirdclub.org. You can also check the latest position by emailing or writing to me. My contact details are below.

Purpose of meeting

The purpose of the meeting is to approve the trustees' proposal that the Club 'converts' to a Charitable Incorporated Organisation ('CIO'). I explain below why the trustees are making this proposal, the mechanics involved in 'conversion' and where you can find more information.

Rationale for 'conversion'

Many of you who are members of other charities similar to the Club will be aware that a number of them have been 'converting' to the legal structure of a CIO from the form of an unincorporated association (the NBC is an unincorporated association). Examples include the African Bird Club and the British Dragonfly Society. It is also possible for new charities to be registered from creation as a CIO and it seems most new charities are formed in this way. As CIOs are now the popular choice for charities and as some existing conservation charities have 'converted' this raises the questions whether 'conversion' would be advantageous to the Club and whether 'conversion' would change the culture and ethos of the Club.

(A) Advantages of a CIO over an unincorporated association

The reasons why unincorporated associations have 'converted' to a CIO are many and various. **Council having reviewed a number of these has concluded at least three are advantageous to the Club:**

- A CIO has corporate status and therefore can enter into contracts (e.g. for printing and publishing) and other obligations in its own name. In contrast, an unincorporated association cannot do this and so all contracts and other obligations are in the name of its trustees. This presents a number of difficulties including having to re-enter into contracts when a trustee resigns or is appointed.
- A CIO is responsible for its debts and other liabilities. By contrast, the trustees of an unincorporated association are personally liable for its debts and other liabilities. It seems unfair to put trustees' personal wealth at risk especially as they are unpaid volunteers. Furthermore, this inhibits the recruitment of new trustees.
- A CIO is a legal structure specifically designed to meet the needs of charities in the 21st century. Unincorporated associations were not designed as models for charities and as a result many modern ways of working and living are compromised by the straightjacket of this old-fashioned structure (such as, restricting 'junior' members).

(B) Retaining the Club's DNA

Council considers the case for 'conversion' to a CIO is even more compelling when it is appreciated that 'conversion' would not change the fundamental DNA of the Club.

In particular:

- The Club would remain a charity and retain the tax benefits of being a charity (e.g. Gift Aid).
- The Charity Commission would be its sole regulator.
- The principal charitable purposes (objects) of the Club would be unchanged.
- The NBC would continue as a members' organisation with those members at the moment of 'conversion' automatically becoming members of the CIO.
- The management structure of a body of trustees (Council) and a number of executive officers (unpaid) would not alter and the trustees would be subject to re-election at every annual general meeting, as now.
- All the assets of the Club would be transferred to the CIO and held exclusively for the benefit of the charitable purposes as before.

Taking all of the above into account Council recommends that members at the SGM vote in favour of the resolution contained in the attached Notice of Special General Meeting.

The mechanics of 'conversion'

Because 'conversion' is a technical process it has a number of procedures that must be gone through. This can be broken down into three simple stages-they happen in sequence.

- Members at a special general meeting approve the Club's conversion to a CIO.
- Application to the Charity Commission to register a CIO.
- If the Charity Commission grants the application the members of the Club at another special general meeting approve the transfer of the assets and liabilities of the Club to the CIO & the winding up of the 'old' NBC in due course.

You will gather that the Special General Meeting called by the attached Notice is the first stage. If the members pass the proposed resolution an application will be submitted to the Charity Commission by the Officers.

Further information

I appreciate that you may have some questions about the proposal. We will be posting shortly to the Club's website (www.neotropicalbirdclub.org) some Questions & Answers ('Q&As'). In the meantime, if you do have any specific questions, please do email or write. If you do not have access to the website and would like a hard copy of the Q&As please do write to me. My contact details are below. Any members interested in the finer details of 'conversion' can find more information on the Charity Commission's website at <https://www.gov.uk/guidance/change-your-charity-structure>.

In short, I invite you to support Council's proposal that the Club 'converts' to a CIO and the trustees do what is required to achieve this. I have no doubt that 'conversion' is in the best interests of the NBC. I believe the Club, as a CIO, will be better placed to take on the challenges of the future and it will continue to flourish.

I will be voting in favour of the proposed resolution.

Thank you.

Chris Balchin

Secretary of the Neotropical Bird Club

Email: secretary@neotropicalbirdclub.org

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Dated 18 July 2021

The Neotropical Bird Club

(Registered Charity Number: 1040130)

Notice of Special General Meeting

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Neotropical Bird Club will be held at Community Hall, St Mary's Church, Church Road, Long Ditton, Surrey, KT6 5HH, United Kingdom at 19:30 on Saturday 21 August 2021 for the following purpose:

To consider and, if thought fit, to pass the following special resolution:

That the members approve the proposal of the trustees that the Neotropical Bird Club ('NBC') converts² from an unincorporated association to a charitable incorporated organisation (known as a 'CIO') with objects as similar as possible to those of the NBC (subject to any updating for present circumstances or as required by the Charity Commission of England and Wales³); and

That the trustees do such things, sign such agreements and execute such deeds as are necessary to achieve such conversion to a CIO.

By order of Council – C S Balchin

Dated: 18 July 2021

Notes:

1. These notes form part of the Notice of Special General Meeting ('SGM').
2. Technically the Neotropical Bird Club (NBC) does not 'convert'. However, because this is the expression used in common parlance to describe the proposed process the resolution uses this term. In legal terms what happens is that the NBC transfers its undertaking to the CIO and then, being no more than a shell, it is wound up. Thus, the NBC does not itself 'convert' to anything.
3. CIOs are established and registered by the Charity Commission of England & Wales ('Charity Commission'). The Charity Commission thus reviews proposed charitable purposes for a new CIO. Council expects the Charity Commission to accept the Club's current charitable purposes as those for the CIO. However, it is possible the Charity Commission may require some changes or suggest more modern language.
4. Under the rules of the Club only members can vote and each member has one vote except if there is an equality of votes the person chairing the meeting shall have the casting vote in addition to his or her other vote (rule 14).
5. The trustees are the Officers of the Neotropical Bird Club and the other trustees elected in accordance with the Constitution, also known as Council (rule 15).
6. The Club currently does not have an elected Chair. In accordance with the rules of the Club Council has appointed the Treasurer as the chair of the Special General Meeting or if he is absent any trustee present at the SGM who is willing to act as chair (rule 13).