

EXPLANATORY NOTES CONCERNING THE PROPOSAL TO ADOPT NEW ARTICLES OF ASSOCIATION FOR COMMUNITY VOLUNTARY ACTION LEDBURY AND DISTRICT ('CAL')

Background and reason for change

These notes provide some commentary on the draft new articles of association which it is proposed be adopted by CAL at the forthcoming Annual General Meeting to be held on 24 July 2018 at 12.00 at the Burgage Hall, Church Lane, Ledbury.

The proposal being put to CAL's members is that new articles of association ('New Articles') be adopted in substitution for the existing articles in order to update the articles of CAL to take account of a number of issues with the Articles of Association prepared in 2010:

- The references to key items of legislation are now out of date, e.g. the Charities Act 1993 has been replaced by the Charities Act 2011, and subsequently the Charities Act 2016.
- In Section 14, the quorum for General Meetings was not defined.
- There are number of typographical errors.

Rather than correct the existing Articles, the Board considers the best way forward is to adopt the latest model Articles of Association from the Charity Commission.

The new Articles of Association are substantially the same as the existing ones, i.e. same headings and substantially the same text, with the exception of the following:

- The maximum liability of individual members for debts if the charity is wound up is increased from £1 to £10.
- The section on Directors' benefits is substantially expanded, with new sub-sections on "Scope and powers permitting directors' or connected persons' benefits" and "Payment for supply of goods only control"

The full text of the existing and proposed new Articles of Association can be viewed on the CAL website at www.caledbury.org.uk and are available from the charity's offices at 4b Bye Street, Ledbury, HR8 2AA.