

## **The Gower Society**

**Registered Charity Number 1172919**

### **Chairman's Report 24<sup>th</sup> October 2019**

This report is for the second Annual General Meeting of The Gower Society under registered charity number 1172919. Its first meeting was held on the 3<sup>rd</sup> November 2018 following the Society's change of legal status to Charitable Incorporated Organisation that was accepted and registered by the Charity Commission on the 9<sup>th</sup> May 2017.

The Society, then charity number 258372, resolved on the 29<sup>th</sup> March 2014 in general meeting to approve a revised constitution to enable it to proceed to the new incorporated status. In a further meeting, on the 7<sup>th</sup> May 2016, it resolved to proceed with that application and approved a new constitution which was based on the model constitution of the Commission. It had engaged solicitors, Capital Law, Cardiff, to draft the new constitution. The first draft progressed through various meetings of the Main Committee which, in conjunction with continuing advice from the solicitors, made successive changes to the draft and ultimately the Committee approved the sixth and final draft on the 26<sup>th</sup> January 2016. It was a difficult process, patiently tackled by the Committee, but necessarily important for consideration by and approval of members in general meeting on 7 May 2016 to

ensure acceptance by the Commission in considering the application for incorporated status. However, the Society's objects recited in the constitution were not acceptable. The Commission explained that due to changes in charity legislation since 1969 when the Society was originally registered as a charity, the objects no longer fell within the descriptions of charitable purposes listed in the Charities Act 2006. They required our objects to have clear charitable purposes currently recognised by law as charitable. The Commission helpfully re-drafted our objects, and, principally, in line with our existing objects. We were not entirely satisfied with the drafting and the Committee tasked a sub group to agree amendments with the Commission. Ultimately, a version was agreed with the Commission and approved in a further special general meeting of members on the 27<sup>th</sup> April 2017. The revision to the objects enabled the application for the new incorporated status to proceed and the Commission duly confirmed the creation of the new incorporated charity on the 9<sup>th</sup> May 2017.

It is important for members to appreciate that the granting of the new status was by way of the creation of a new charity which had its own constitution and registration number (1172919). It was not by way of a change to the existing registered charity (number 258372), which remained in being and fully operational as an unincorporated member's association with its own constitution and objects. The Gower Society was now registered as two separate charities. The next stage in the process was to transfer

the assets and the membership to the new charity, and then to dissolve the old charity.

The Board of trustees of the new charity held its first meeting two months after the incorporation on the 11<sup>th</sup> July 2017. There were seven trustees who had volunteered from the Main Committee of the old charity and one from outside. It discussed the modus operandi of the Society after the assets and membership were transferred. During the Committee discussions of the various drafts of the new constitution, it was accepted that the business of the running of the Society would continue with as little change as possible, and it would be conducted by a Main Committee with its subcommittees. The position of trustee, which is recognised in law, differed from that of Committee member, whose level of responsibility is not as strict as that of a trustee. Indeed, some Committee members, out of choice, decided not to become trustees. Accordingly, the constitution contained a provision for the trustees to delegate any of their powers or functions to a committee and, if they do, require them to determine the terms and conditions on which the delegation is made. The Committee and its proceedings would be brought to the attention of the trustees who could review the arrangements from time to time. At the first meeting, the Trustees agreed it was important to delegate to a committee and to research how best it can be achieved. They appointed a sub group to draft a paper listing the powers which would be reserved to the Board of trustees and not be delegated. In due course, the paper was prepared and

considered by the Main Committee prior to consideration and approval by the Board of Trustees. It was approved on the 9<sup>th</sup> January 2018. The paper confirmed that the new Committee, whilst being accountable to the new board of Trustees, would remain, so far as circumstances permit, with as few of its original functions as possible altered by the formation of the new charitable status. The paper listed the responsibilities of the board. They included regulation, appointments, succession planning, strategy, budgets, insurance, policies and finance (which included the use of capital and income, as well as accounting and reporting to the Commission).

A further paper was drafted by the Board, setting out the relationship between the Board of Trustees and its appointed committee, including the eligibility of trustees to participate in the Committee, the exchange of minutes between the Board and Committee and importantly, the terms of reference of the Committee, as well as those of every subcommittee it appointed. Rather than listing matters which a Committee could do, and not do, the paper provided for the Committee to draft its own terms of reference for approval. This second paper was approved by the Board on the 21<sup>st</sup> August 2018, but, again, it was not until after it had been considered and approved by the Main Committee of the old charity.

Another important matter was discussed by the Board at its second meeting on the 10<sup>th</sup> October 2017. Earlier in the year, the

Society learned it was entitled to a legacy left in the will of the widow of a former member. When the will was prepared, the Society, quite rightly, was identified by reference to its charity number. The number was that of the old charity, which at that time was the only charity under which the Society operated. The newly created charity did not exist. There was no difficulty in the Society receiving the inheritance, which would be paid to the old charity, which was still fully operational and had not yet been dissolved.

However, it was recognised that there could be complications in the Society receiving further legacies left to the old charity after its dissolution. Upon taking the advice of our solicitors and specialist counsel in London, it was agreed by the Main Committee on behalf of the old charity and the Board of Trustees for the new charity that the old charity would not be dissolved, but continue as a mere shell, with no members, no committee, no officers no meetings and no assets. It would exist in name only. The objects of both had to be identical and the trustees be the same. The new charity, through the same trustees, would be in control of the old charity. Counsel advised the charities be linked by the Commission.

The constitution of the old charity had to be replaced by a shorter version. Again, this document was drafted by our solicitors and considered by the Committee and the Board. It was approved and put before the members in a special general meeting on the

5<sup>th</sup> May 2018. Members duly resolved the new constitution replaced the old constitution of the old charity with the replacement taking effect once the transfer of assets was completed and when the constitution of the new charity came into effect.

There were now two further applications to make to the Charity Commission. The first was for permission to transfer the assets and the second was for linkage. Permission for transfer was given on the 24<sup>th</sup> April 2019, and the Commission directed linkage as of the 24<sup>th</sup> June 2019. The assets had to be transferred by deed, which was drafted by our London counsel and signed by all the members in the Committee of the old charity as transferors and by officers of the new charity. At a trustees' board meeting on the 20<sup>th</sup> August 2019, the Board duly resolved to accept the assets. Accordingly, transfer of ownership of the assets was completed on that date, namely the 20<sup>th</sup> August 2019.

Returning to the resolution of the general meeting of the old charity on the 5<sup>th</sup> May 2018 which I have just mentioned, the new constitution of that charity came into effect when the assets were transferred on the 20<sup>th</sup> August 2019. From that date, The Gower Society has existed as a pure shell charity with the sole purpose to receive future legacies and as the new incorporated charity through which the Society will be fully operational. The old charity has no assets. Its Committee and officers no longer exist. Its members have been transferred to the new charity.

Finally, the Board of Trustees at the meeting on the 20<sup>th</sup> August 2019 resolved to delegate its powers of management to the Committee members of the old charity upon the terms of the said approved paper subject to formal approval of a list of names and the terms of reference of all committees.

We achieved the goal rightly set by the members five years ago at its meeting in March 2014 when the incorporated charity was created in May 2017. The process has, inevitably, been protracted by having to retain the old charity as a shell and securing linkage. It has been a trial but we have got through it. Without the Board taking the expedient measures to secure future legacies, the old charity would simply have been dissolved when the incorporated charity was created two and a half years ago. There would have been the end of the matter, save until a legacy to the old charity arose.

We now look to the future. We will continue with business as usual with the new charity run by a committee with subcommittees under the auspices and guidance of the Board of Trustees. That work of running the Society will be enhanced by reason of the Committee being relieved of the responsibilities listed in relation to governance including the heavy responsibility of the finances so that it can concentrate on running The Society's charitable objects.

## The Work of the Trustees

The constitution explains to members and reminds Trustees of the functions and duties of charity trustees.

They are required to manage the affairs of the Society and, in doing so, act in good faith and further the purposes of the Society using such care and skill as is reasonable. They have undergone training in order to get a clear understanding of their main duties expected of them by the Commission, including acting in the best interests of the Society, managing its resources responsibly, and complying with the constitution and the law. Whilst, as explained above, they are delegating their management function of the day to day running of the Society to a committee, they cannot divest themselves of their responsibilities as set out in the constitution and required by the Commission. For that reason, they must be satisfied that the intended terms of reference of the committee and any subcommittees are within the constitution and that the good work of the committees is both in furtherance of the objects and, as a charity, for public benefit. The minutes of all meetings of all committees will keep the Trustees informed of the work being done. The Trustees are fully confident the Committee will continue to do all the good work that has hitherto been carried out by the Main Committee of the old charity.



## Activities

The other purpose of this report is to appraise members of the activities of The Gower Society as a new charity for the last accounting year ending 31<sup>st</sup> December 2018 and since.

Members might be confused as to the reason for having two Annual general meetings in one year, although we did also in 2018. I hope my explanation regarding incorporation will serve for members to understand that the general meeting held in May 2019 related to the old charity including its work and finances in the year ending 31<sup>st</sup> December 2018. The old charity, of course, conducted all the affairs of the Society in that period as it had in previous years since 1969, and indeed did so until the 20<sup>th</sup> August 2019 when its assets were transferred to the new charity and its new constitution, as a shell charity, came into force. Today's general meeting is that of the new charity, and for the same period ending 31<sup>st</sup> December 2018, although it was not active and had no assets. We are obliged in law to submit an annual return to the Commission within ten months of every year end.

I will report on the work undertaken by the Society through the new charity since 31<sup>st</sup> December 2017. Following incorporation in May, the Trustees met in July and October 2017 with a view, at that stage, to ensuring the Society was ready to operate once the assets were transferred. The subject of receipt by the Society of future legacies left to the old charity number was raised at the

October meeting. This led to a greater amount of work and time leading up to the old charity not being dissolved but retained as a mere shell and linked with the new charity with approval being given by the Commission on the 29<sup>th</sup> June 2019. At the AGM of the old charity on 4 May 2019 I reported on the activities of the Society in the preceding year and since, so I will deal solely with the new charity.

The Board met five times in 2018 and six times this year. Its main topics have been the sharing of functions with the intended committee and finance. It agreed, with the prior approval of the Main Committee of the old charity, two papers setting out the matters reserved to the Trustees and powers to be delegated to committees. With regard to finance, it set the budget for the various heads of expenditures in 2019, based upon the Society's anticipated income and capital growth in excess of inflation. The Board has been careful to ensure, as best it can predict, the preservation of its capital in real terms in line with inflation, but with any excess, together with income, being available for the budget.

In April of this year, the Board agreed a policy for the application of the capital of the Gorvin inheritance that it be applied 'to an exceptional/outstanding project in furtherance of the preservation, conservation and enhancement of the physical and natural environment of the Lordship of Gower that is either (1) for the acquisition of property in which the Gower Society has a legal interest, or (2) is enduring'.

On the subject of policies, it has also agreed a code of conduct for trustees, a communications policy, a conflict of interest policy and alternative energy policy. Apart from providing proper guidance for the running of the Society, these policies are required by the Commission. In view of our new incorporated status and finances, I expect the Commission to be particularly vigilant as to how we conduct our affairs.

It has been testing dealing with all the necessary formalities consequent upon the decision in 2014 to incorporate. However, they do provide a firm platform on which the Society can best run its affairs and in furtherance of its principal object of '*promoting the preservation, conservation and enhancement of the physical and natural environment of Gower*'. The City and County of Swansea policy EV9 likewise states development in the AONB must '*preserve and enhance the character and appearance*' of the Area. Both the Society and the Authority must never ignore these core principles.