



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

Ms Z Theofilopoulos

by email:

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Charity Commission

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**Your ref:**

**Our ref:** BNWJ/C-091262

**Date:** 25 March 2024.

Dear Ms Theofilopoulos,

**Re: Archie Brown Charitable Trust**

Thank you for your emails. May we take this opportunity to apologise for the delay in contacting you.

Please find attached a draft Scheme for your consideration. I would draw your attention to the following: -

**New objects of the Charity**

You have proposed that the new objects of the charity should be: -

*To use the assets and monies held by the Charity (whether those assets and monies are classified as “permanent endowment” or not) together with any income earned on such assets and monies, in order to provide financial support and assistance to one or more organisations/bodies of a charitable or voluntary nature that offer practical, social and/or financial support and assistance to persons of pensionable age and above. This will be done by the Charity making grants (on application by the bodies in question) and/or simple donations by the Charity to such bodies.*

You will note that objects in the proposed draft scheme have been amended to read: -

*The object of the charity is to relieve people of pensionable age resident in Oldham who are in need, by providing grants and donations to charities or other voluntary organisations who offer facilities and services calculated to relieve the needs of such persons.*

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t: 0300 066 9197 (General enquiries)

0300 066 9219 (Textphone)

w: [www.gov.uk/charity-commission](http://www.gov.uk/charity-commission)

This drafting of objects is more in-keeping with our standard model objects for the relief of the elderly. The issue of expenditure of permanent endowment would not be addressed in the objects clause. The process of how charities/voluntary organisations apply for the funds would also not be dealt with in the objects clause.

### **Permanent endowment**

As previously discussed in our letter of 17 August 2023, the proceeds of any sale of 439 Middleton Road, Chadderton (the property) will be permanent endowment. This means that only the income obtained from the proceeds (e.g. through investment) will be available to further the new objects of the charity.

You have advised that the Charitable Trust Committee would need to be able to spend the proceeds of sale ( i.e. permanent endowment) if it is to make meaningful use of the charity's assets, as it is not anticipated that the income from the investment of the sale proceeds will produce a sufficient fund to make appropriate or sufficiently useful grants and donations to the bodies in question that would be appropriate recipients under the charity's new objects.

- In order for us to consider this, please advise how much of the proceeds of sale it is considered that the charity will be entitled to (and consequently what it is anticipated the yearly income from that sum invested would be)?

### **The garage at 439 Middleton Road, Chadderton**

You have advised that external valuations and reports are being obtained for the property minus the garage and separately for the garage, as it is believed that the best outcome would be to sell the garage to the occupier (the Co-op) direct and sell the remainder of the property at auction.

This is subject to the Co-op offering the price which is advised to the charity trustees by the external valuer as representing the market value of the garage, otherwise the property will be sold as one lot at auction subject to the Co-ops statutory tenancy (following on from expiry of their lease).

### **Sale Proceeds**

The charity owns the long underleasehold interest of the property (which subject only to the Co-ops tenancy of the garage) is an occupational interest with vacant possession. The Council (as local authority) owns the freehold interest in the property.

We note that it is intended that the charity's leasehold interest and the Council's freehold interest in the property will be sold together.

Please note that valuations (obtained by the charity trustee on behalf of the charity) should be acquired to assess the proportion of the sale price which belongs to the charity.

### **Public Notice**

Before authorising the scheme, it is likely that we will require public notice of the scheme as it will be authorising the sale of designated land. However, to enable us to confirm this, please answer the following questions:

- Are the trustees aware of any opposition to the proposals/draft scheme?
- Do the trustees believe the scheme will be controversial?
- Have any objections been raised to the proposals? (if yes, please provide details and explain how the trustees have taken account of these objections).

It is important that we are made aware of the likely reaction to the scheme or any potential objections. In the event that we discover that the scheme was opposed (and therefore should have been publicised) it might have to be cancelled. The decision to make a scheme and the terms of the scheme can also be challenged in the Charity Tribunal.

We look forward to hearing from you.

Yours sincerely,

Bethan Wilkins-Jones