

Charity Reorganisation – Summary of Application

Type of Scheme

Mary and Elizabeth Hannah Trust (SCO10730) ('the Charity') has applied to the Office of the Scottish Charity Regulator (OSCR) for approval of a reorganisation scheme for a variation of the constitution of the charity (whether or not in relation to its purposes) under section 42(3)(a) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act).

The charity's Deed of Trust is formed of mirror provisions contained within: -

(1) the Will and Codicil of the late Miss Elizabeth Hannah dated 11 March 1945 and 3 November 1950 respectively and registered in the Books of Council and Session on 9 March 1951 and

(2) the Will and Codicil of the late Miss Mary Hannah dated 11 March 1945 and 11 November 1954 respectively and registered in the Books of Council and Session on 25 April 1955 that establish a testamentary trust.

Reasons for reorganisation

The trustees advise that due to the age of the Deed of Trust, it has resulted in the governing document becoming outmoded, increasingly restrictive and even at times fettering the discretion of its trustees.

The trustees propose to make changes to the constitution having identified that the Deed of Trust does not contain the necessary powers to: -

- (a) advance the capital of the trust fund to beneficiaries
- (b) wind-up the trust, or
- (c) make amendments to its constitution.

Reorganisation conditions

The trustees suggest that the following reorganisation conditions are met:

S42(2)(a)(iv) – purposes have ceased to provide a suitable and effective method of using the property due to the restrictive nature of the purposes.

The trustees suggest that this condition is met because under the Deed of Trust, the charitable purposes restrict the trustees to only applying the income of the Trust Fund for the benefit of: -

- (i) deserving ladies who through no fault of their own may be reduced to an impecunious state or are in straitened circumstances and are protestant women over 50 years of age, native to Edinburgh, of the best character and with definite church connections, or
- (ii) to the Church of Scotland Scheme for Eventide Homes for Elderly Ladies, or
- (iii) for similar purposes and to other charitable schemes in connection with the Church of Scotland.

The annual income for the charity as at 5 April 2024 was £8,408 whereas the cash and investments held totalled £152,996. Therefore, this income is at a level that is unlikely to provide any significant public benefit in furtherance of the Trust's charitable purposes.

S42(2)(d) of the 2005 Act, that it is desirable to introduce a provision (other than a provision setting out a new purpose) to a charity's constitution

The trustees suggest the condition is met because the introduction of new provisions, permitting the advancement of capital and the amendment of the deed of trust (but not so as to alter the purposes), modify its operating procedures where appropriate to meet modern demands and practices, and also enables a dissolution to be administered in a more appropriate, straightforward and cost-effective manner should that be deemed necessary.

Reorganisation outcomes

The trustees suggest that the following reorganisation outcome are met:

39(1)(b)(i) of the 2005 Act to enable the resources of the charity to be applied to better effect for charitable purposes consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted and;

S39(1)(b)(ii) of the 2005 Act to enable the charity to be administered more effectively.

The trustees suggest these outcomes are met because it will permit an underutilised and almost 'locked' Trust Fund to be applied more effectively in support of the charitable purposes.

As matters stand, the restriction on the use of capital means that only part of the trust fund may be used in furtherance of its purposes. In addition, with the low annual income and significant administrative costs (which eat into the capital

value of the trust fund year on year), the charitable purposes no longer provide an effective method of using the Trust's property.

By updating the trusts charitable purposes to facilitate the advancement of capital it will enable the Trust to utilise its assets to better effect (therefore maximising its ability to provide public benefit) and allow for more meaningful donations to be made that are still within the spirit of the original Trust Deed and charitable purposes.

The current deed of trust is of its time (c 70 to 75 years old) and is extremely "light" on clarity and powers which the trustees need to inform effective decision making and improve the administration of the Trust to meet the standards of modern good governance underpinned by the Charities and Trustee Investment (Scotland) Act 2005 (as amended).

(a) Introducing provisions permitting amendment of the Deed of Trust will provide the trustees with greater flexibility to manage the Trust and its assets in an appropriate manner, applying modern management practices to advance its purposes, and to adapt to the various challenges of operating a charity in the contemporary world, and

(b) Having in place a proper dissolution clause will also facilitate the administration of the Trust by establishing a clear and straightforward procedure to be followed if dissolution is the appropriate option, avoiding the need to apply for OSCR's approval of another costly, time-consuming and complex reorganisation scheme.

How to make a representation in relation to the proposed reorganisation scheme

Any person may make a representation to OSCR either supporting or opposing this proposed reorganisation scheme. Should you wish to make a representation, you may do so by writing to OSCR providing the following information:

- Your name and address
- The name of the charity concerned
- The nature of the representation and reasons for it

These are the terms of Regulation 5 of the Charities Reorganisation (Scotland) Regulations 2007).

Representations should be sent to OSCR by post or email

Postal: OSCR
2nd Floor Quadrant House
Riverside Drive
Dundee
DD1 4NY

Email: info@oscr.org.uk

Representations can be made up to 14 days following the end of the publication period. The latest date for the receipt of representations is 24 June 2025.

We cannot accept representations via social media channels.

Copies of any representations will be provided to the applicant charity for comment. If you do not wish the charity to be provided with your personal details, please indicate this in your representation.

Personal details will otherwise be disclosed to the applicant charity.

Please contact us by email or by telephone on 01382 220446 if you have any questions about the submission of a representation.

OSCR
14/05/2025