

Section A

Answer **all** the questions in this section.

Continue your answers on the continuation sheets at the back of the booklet, if necessary.

1. Give **one** key consequence of charitable status for an organisation.

(1 mark)

2. Cornforth defined corporate governance for voluntary organisations as “the systems and processes concerned with the overall direction, effectiveness, supervision and accountability of an organisation.”

Is this **true** or **false**?

(Tick **one** box only)

True

False

(1 mark)

3. Identify the **two** circumstances in which a member of a charitable incorporated organisation (CIO) has a right to inspect its register of members.

i

ii

(2 marks)

4. Sections 288–300 Companies Act 2006 enable decisions to be taken by the members of a company by written resolution. What is the key feature in the majority required for a decision taken under these provisions, in contrast to the majority required for a resolution considered at a general meeting?

(1 mark)

5. State **two** areas of risk in charity fundraising.

i _____

ii _____

(2 marks)

6. Define the term 'designated land'.

(2 marks)

7. The Charity Commission issues statutory guidance on public benefit. Explain what that guidance says about the term 'public'.

(4 marks)

8. Which of the following is a **disadvantage** for a charitable unincorporated members' association?

(Tick **one** box only)

- A Trustees and members are the same people.
- B There is no specific legislation.
- C Regulated by Charity Commission regardless of size.
- D More complex to operate than other legal forms.

(1 mark)

9. Give reasons why the average charity board size is reducing, either intentionally or by circumstance.

(4 marks)

10. Aside from the reputational damage, describe why a company should always try to file its accounts with Companies House on time.

(2 marks)

TOTAL FOR SECTION A = 20 MARKS

Section B

Answer **all** the questions in this section.

Continue your answers on the continuation sheets at the back of the booklet, if necessary.

11. The Charities (Protection and Social Investment) Act 2016 now allows the Charity Commission to consider a wider range of factors when determining what further action to take in a statutory inquiry. Outline the new factors that can be considered.

(5 marks)

12. Compare the duties of a trustee in a charitable incorporated organisation (CIO) and a charitable company.

(6 marks)

TOTAL FOR SECTION B = 35 MARKS

Section C

Answer **all** the questions in this section.

Continue your answers on the continuation sheets at the back of the booklet, if necessary.

17. You have just been appointed as the Secretary of Homely Homes Ltd ('Homely'), a registered provider of social housing. Homely is a charitable community benefit society. It is a small organisation, set up in 2016, and it provides housing for 240 residents. A new Chair has also recently been appointed.

Homely adopts a Code of Governance, and has done since it was created. This Code is rarely considered by the board.

Homely also undertakes an annual board performance review, using an online survey. The performance review outcomes are not considered by the board.

Prepare a report for the Chair of Homely in which you explain why there is a Code of Governance and annual performance review and how the board's current approach to both of these governance mechanisms could be improved.

(15 marks)

18. You are the Secretary of Chillingford Poor Widow’s Relief Fund, a registered charity (company limited by guarantee number 123456), with objects to alleviate poverty amongst widowed women in the Chillingford Parish Council Area. It pursues its objects by making grants to widowed women in severe financial need.

Chillingford Parish Council has been abolished in a recent re-organisation of local government. The Chair of the board of trustees has sent you the following email:

“Dear Secretary

I want the board to consider updating the charity’s objects. This will be an item for decision at the next board meeting.

The reasons for the change are (a) our old Council no longer exists and (b) we could distribute more of our funds if the charity could also make grants to all people who are impoverished due to bereavement, regardless of gender.

Please let me know what the process of change is, including any requirements relating to the Charity Commission.

Is there anything else the board should consider relating to the change?

Fred Bloggs, Chair of the board of trustees”

Prepare a reply to the board of trustees, giving your advice.

(15 marks)

Lined writing area with 28 horizontal lines.

19. Little Haver Village Trust is a charitable incorporated organisation.

Its charitable purpose is: "To advance the health of those suffering from mental health issues".

Two options for potential income generation are being considered by the board. The board wants to understand what key legal factors are involved.

Option A

Entering into a contract with a local authority to provide mental health support services, for which the charity will be paid.

Option B

Investing some of the charity's funds as a social investment in a project called 'Food for Well-being' that the board believes will provide charitable outcomes and also generate income for the charity.

The 'Food for Well-being' project enables people who have suffered traumas, bereavements and illnesses to regain self-esteem and re-engage with their communities by operating a café in the local high street. People are referred to participate in the project by a variety of professional specialists, including therapists and bereavement counsellors, medical personnel and social workers.

As an adviser to the charity, prepare a paper for the board in which you compare and contrast these two options, including the key factors to be aware of.

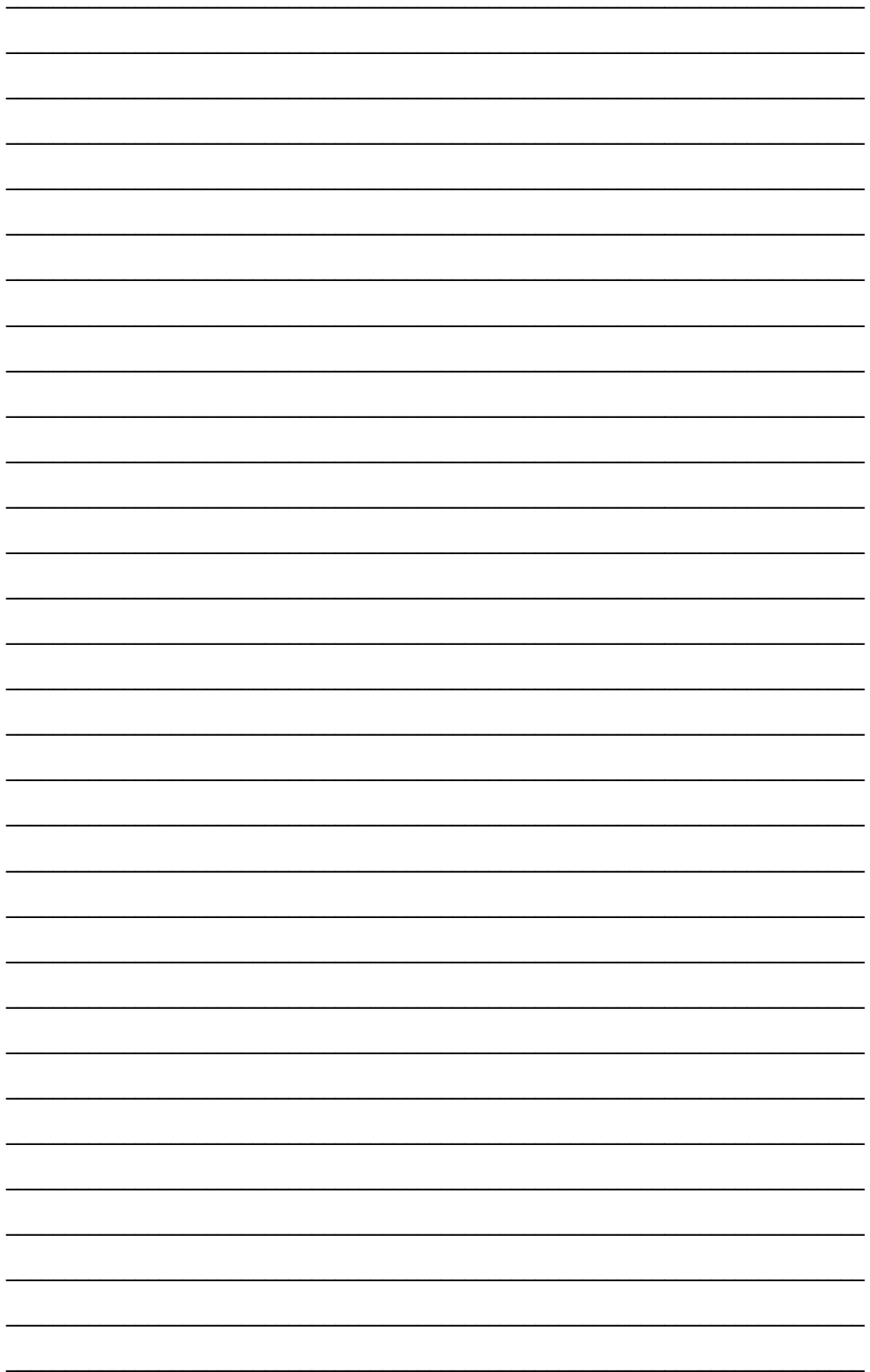
(15 marks)

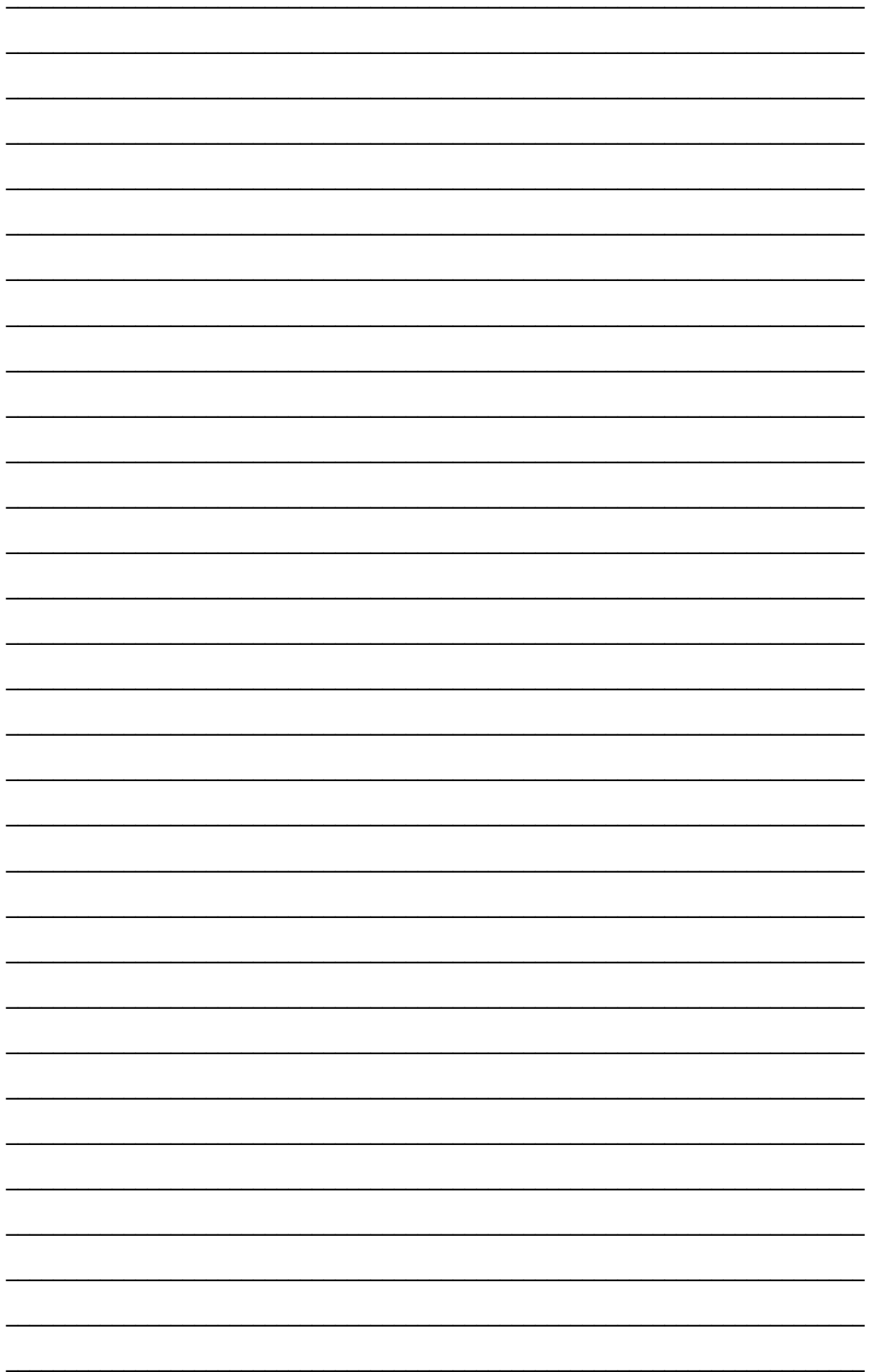
TOTAL FOR SECTION C = 45 MARKS

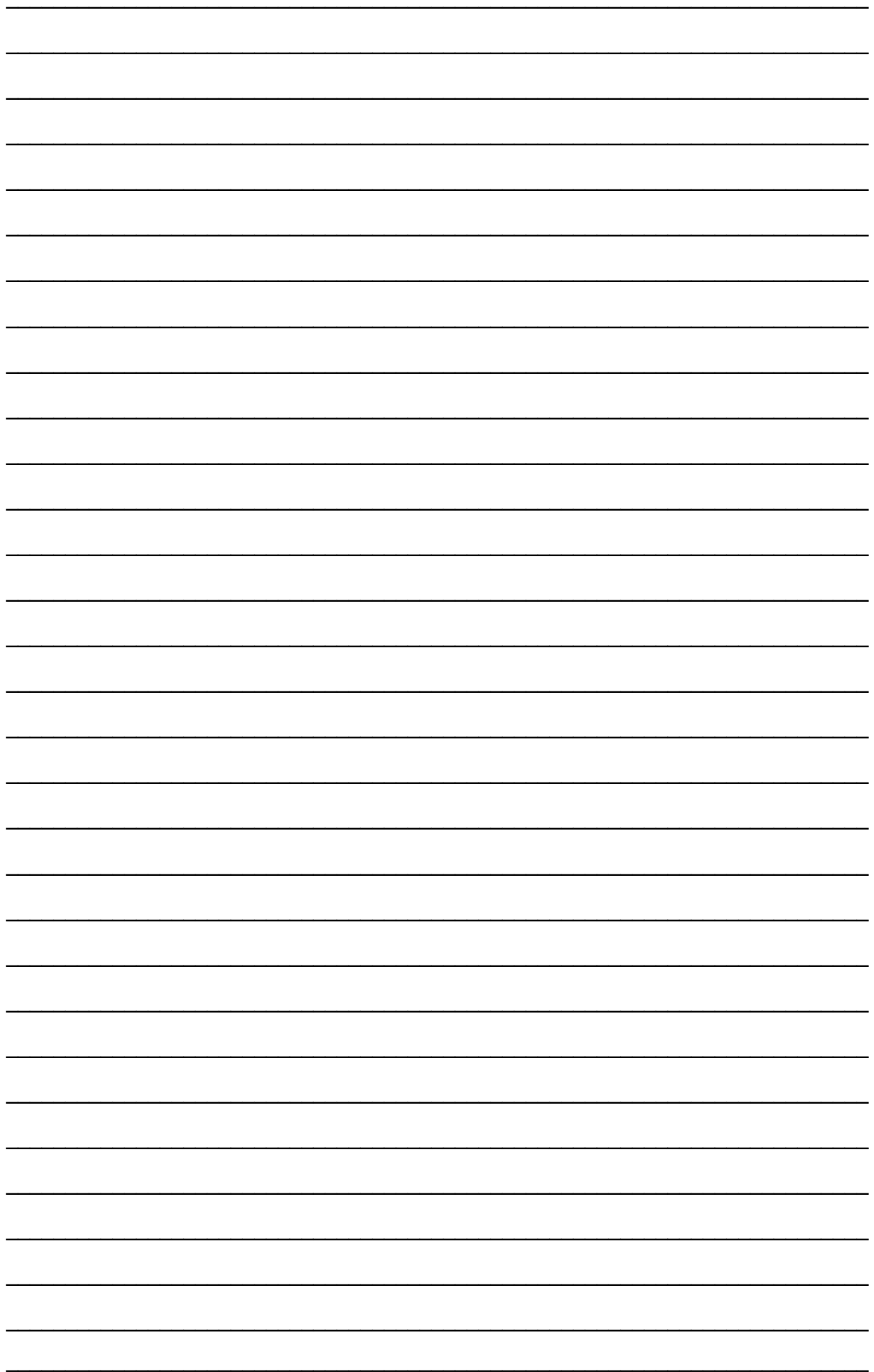
TOTAL FOR PAPER = 100 MARKS

The scenarios included here are entirely fictional. Any resemblance of the information in the scenarios to real persons or organisations, actual or perceived, is purely coincidental.

END







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Section A

Question

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total	

Section B

Question

11	
12	
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14	
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16	
Total	

Section C

Question

17	
18	
19	
Total	

Total marks for paper:

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Marker (full name):

Reviewer (full name):

Clerical check (full name):

Examiner review:
