

Conversions of industrial and provident societies

We are advising an increasing number of industrial and provident societies which are seeking to convert into charitable companies. Our team advised Penrose Options, a previous IPS to successfully convert into a company limited by guarantee. Penrose has been providing help and support for ex-offenders and people with mental illness for over 40 years.

As the Charity Commission continues to drag its heels with the registration of previously exempt from registration industrial and provident societies, which are regulated by the Financial Conduct Authority, more and more industrial and provident societies are considering converting into a company limited by guarantee and seeking charity registration on conversion.

Our team is able to advise on all aspects of the conversion including preparation of the new governing document, advising on the members' resolutions, complying with the application requirements of the Financial Conduct Authority, Companies House, the Charity Commission and the Office of the Scottish Charity Regulator.

The advantages of conversion can be significant because of the positive image the public often has of registered charities; certain bodies and major funders may be more willing to grant sums of money to the organisation. Additionally the benefit of the public recognising the concept of a company as opposed to an industrial and provident society which is not widely known can be significant.

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