

*Van Mildert College JCR*

# DSO Review & Referendum



*Van Mildert's JCR is overdue a referendum on its membership of the DSO, and we must make the right choice. This document seeks to provide information and guidance. Here we have a unique opportunity to shape the future of the JCR and we can't let it pass without serious consideration.*

## I. Origins of the DSO and recent history

This section will provide some historical background about the Durham Student Organisation Framework (the DSO) and also explain what it is. Given the frequent turnover of students in the University, this section aims to provide context to what may not be common knowledge.

### i. Founding the DSO

The DSO Framework was written in 2010/11 through a consultation process involving the University (especially the Colleges Office), common rooms and colleges. It responded to the problems that the 2006 Charities Act caused, which required JCRs (as unregistered charities at the time) to register with the Charities Commission. The main concern was that this would require considerable amounts of work for the JCRs. This was discussed at length at the time, and as late as 2009/10 both the common rooms and University were in favour of registering as independent charities.

In June 2010, a paper was submitted to University Council and the University Executive Committee to explain that the incumbent Deputy Warden (in charge of colleges) wanted to create a new structure that would allow JCRs to exist legally as part of the University as ‘Durham Student Organisations,’ which would require each DSO organisation to adopt the DSO Framework as its overarching governing document. This structure was not perfect, despite the lengthy negotiations between common rooms and the University. However, we opted for it due to the financial benefits, as well the use of the University’s legal and finance teams. It was noted at the time that the DSO Framework was not perfect and should not become the accepted state of affairs.

### ii. Recent Developments

The DSO now comprises the majority of Durham’s JCRs, but Cuth’s, John’s, Chad’s, and Grey are all independent. Of these JCRs the most applicable model is Grey, as the others are wrapped up in other arrangements relating to the relationship between the College itself and the University. Since 2011 Grey has operated as an independently registered charity. In light of Grey’s success, other JCRs have tried to follow suit. Trevs briefly attempted independence, however the workload proved too much for their non-sabbatical President and Treasurer. Meanwhile Castle held a referendum in 2016-17 on DSO Membership and in what proved to be a rushed and controversial election they voted to remain. Grey, however, held a similar referendum at the start of 2017 and voted conclusively to remain a registered charity independent of the DSO. In addition, Ustinov’s Graduate Common Room, which has a similar scale of operations to most JCRs, recently voted to become independent of the DSO. The Durham Nightline listening service also until last year operated as a DSO, but has now merged into Durham Students’ Union to sit under their jurisdiction rather than the University’s.

### iii. JCR v College

A crucial distinction here is between the JCR and the College. When we say JCR we mean the student-owned and student-led organisation that is the JCR, with its own money, assets (e.g. tech equipment or rowing boats), and all our sports teams, societies, committees, and outreach projects. The JCR owns no property. On the other hand we have the College, i.e. Van Mildert College, with Dave as the Principal and then all the other staff, including Vicky as Vice-Principal, Debs as Assistant Principal etc., as well as all the Porters and so on. The JCR and the College are separate institutions, but they work together very closely and always have done. However, when we talk about **independence** or **leaving the DSO**, this refers

specifically to the JCR leaving the Durham Student Organisation. This *may* impact the JCR's relationship with College, but independence remains an internal JCR matter which won't alter the College's status within the University.

## II. What does the DSO do & what are its advantages?

There is a specific document, drawn up in 2010-11, called the DSO Framework, which outlines the relationship between JCRs and the DSO. However, the document is very high-level and much of how the University now requires DSOs to operate in practice has been decided by University staff outside of the confines of the Framework without written record. Where the Framework does stipulate certain practices and support provision, this too often differs from reality. A copy of the Framework will be sent with this document.

### i. Financial Management

The DSO Framework claims that support will be provided to JCRs in producing budgets, monitoring performance, updating financial forecasts on a quarterly basis, accurately and punctually recording financial transactions, producing quarterly reports of income and expenditure against budget to the University, and quarterly reporting of VAT.

**5.5** Support will be provided to student organisations in fulfilling the above [below] requirements

**5.3.1.** Producing an annual budget, monitoring performance against this and producing updated forecasts on a quarterly basis;

**5.3.2.** The timely and accurate recording of financial transactions in an agreed format and regular monthly bank reconciliations;

**5.3.3.** Quarterly reporting of income and expenditure against budget to the University in an agreed format;

**5.3.4.** Quarterly reporting of VAT as required under the terms of the University's VAT registration.

This support is non-existent. Although the DSO's current Financial Officer does a great deal of work to help us, through no fault of her own she is massively overworked and simply can't provide every JCR with the kind of support promised in the Framework. Budgeting, monitoring performance, recording transactions, producing quarterly reports – all of this is done by the Treasurer, President, and other members of the Mildert JCR. The DSO does nothing to provide support to meet these terms.

### ii. Legal and Insurance

The DSO Framework stipulates that the University will retain ultimate liability for the activities of JCRs and will provide us with appropriate insurance. Therefore, the JCR does not have to pay for insurance, as this is all covered by the University. The legal and financial protection offered by the University are generally regarded as the largest advantages of remaining a part of the DSO, since they provide an element of stability for student-run organisations.

**7.1.** The University will ultimately be liable for the activities of student organisations registered under the Framework and will procure appropriate insurance to cover these liabilities.

It should be noted, however, that Grey pay for their own insurance to the cost of about £4,500 annually. Therefore this stability can be replicated with relative ease by paying for our own insurance and legal cover, a cost which would be covered by the extra income gained from independence.

### iii. Charity Administration

Leaving the DSO Framework and therefore becoming legally separate from the University would require the Mildert JCR to be registered as an independent charity because of the Charities Act 2006. As a DSO, the administration this legislation entails is handled by the University, the large part of which is sending annual accounts to the Charities Commission as part of the University's consolidated accounts to ensure that JCRs are complying with the relevant regulation. Independent JCRs handle this work on their own, which requires them to have accountants produce a proper annual report. Grey and Cuth's both use the local firm Ribchester's, and this costs roughly £1,000 annually. This report is then sent to the Charities Commission. Whilst this incurs a financial cost, the workload on this particular point is not significant.

### iv. Tax Returns

Since the University is ultimately responsible for the JCRs, they handle all our tax returns. The main tax relevant to JCRs is VAT, which is currently charged on the levy and other services, but can be reclaimed on goods and services we buy. As the University is responsible for us, we have no contact with HMRC and it is down to the University's VAT Officer to make decisions about the way we handle taxes. For comparison, Grey's Finance and Commercial Services Officer (FACSO) who is elected in the same way as a JCR President, does this for their JCR, which takes no more than a day or two of work to complete after producing a quarterly financial report.

### v. JCR Sabbatical Training and other help

The DSO Framework states that it will provide appropriate training for JCR officers. In practice the DSO also provide us with the use of Xero (accounting software) free of charge and help with basic administration such as organising the ownership of new bank cards. In previous referenda these have been touted as notable advantages of the DSO.

**5.8.** Officers of the student organisation will attend appropriate training on managing the organisation's financial affairs

Unfortunately, such training amounts to two days of rushed explanations about book-keeping, accounting software, budgeting, bribery, insurance etc., which provides nothing in the way of useful knowledge or skills in the practicalities of financial management, but rather allows the University to indemnify themselves if JCR Treasurers make errors. Presidents and Treasurers of all JCRs will readily attest that they have to teach themselves how to use all the relevant software and skills. For evidence of the inadequacy of this training, see **below** on what happened to Hild Bede JCR in 2013/14. And on top of that, Xero is a relatively inexpensive software- Grey pay less than £20 monthly to use it.

For comparison, training in Grey is done during over a more extended period. As the incumbent officer is usually well trained they have the resources to give an in-depth handover over 7-10 days. Then, throughout their time in office, the Sabbatical Officers have trustees of varying professions and expertise to request help or advice from.

### vi. An Overview

Perhaps the biggest obstacle to leaving the DSO is the amount of work it would entail. This was evident when Trevs voted to become independent and subsequently re-joined the DSO Framework because of the amount of work required to organise the JCR into an independent charity. However, Trevs does not have a sabbatical President, and they did not create the role

of a Sabbatical Treasurer, so they had 3<sup>rd</sup> year students attempting to set-up a charity. This was difficult for obvious reasons, and with a sabbatical President (as Mildert currently has) plus a Sabbatical Treasurer (as Grey have) the work would be much more manageable.

### III. Why do we need a referendum?

We are overdue a referendum. The initial decision to join DSO Framework was never intended to be a permanent solution to challenges posed by the Charities Act 2006. Indeed, the original path agreed by JCRs, Colleges, and the University was for us to all register as independent charities. Once this was reversed and the DSO formed, it was decided that the JCRs should all hold referenda two years later to decide on their membership of the DSO. Furthermore, JCRs were empowered to hold a referendum **at any point** in the future, and the expectation was that they would occur at least once in every cycle of students. The DSO Framework itself must be reviewed once every five years.

Previous Presidents have made it very clear that a DSO Referendum is much needed. Mildert has not had one since 2013, after the two year trial period of the DSO. Six years have passed since then and the JCR has changed a lot. Other JCRs have held referenda and there is now no reason why Mildert shouldn't. This is a crucial point in time for Durham, what with such significant changes taking place right across the University, and the future is difficult to predict. We may not have such an opportunity again, and so it's important to hold this referendum while we still can. Mildert's JCR members deserve to voice their opinion and have their will respected.

## IV. Why would we want to leave the DSO?

### i. The DSO does not fulfil its promises

Although the DSO Framework states that the University will provide JCRs with financial management and support, including help with budgeting, reporting, and accounting, plus bespoke training, as mentioned in parts *II.i* and *II.iv* this does not happen. Evidence of this can be found in Hild Bede, a JCR which is part of the DSO, and yet which essentially became bankrupt only a few years ago when its expenditure reached unsustainable levels. The training and financial guidance provided then was clearly insufficient, and even since this incident Presidents and Treasurers have attested to being unsupported in their efforts to take Hild Bede JCR back into the black.

### ii. Direct debit situation

The University have a direct debit with the JCR account and can currently take out money as and when they want. This presents a problem when negotiating with College over disputed invoices as can happen from time-to-time as our position is inevitably undermined by their ability to take money should they believe it to be necessary. Generally this hasn't been the case as the College is extremely reasonable and works well with the JCR. However this may not always be the case.

A further issue with the direct debit is that the University/College can erroneously charge the JCR, as occurred with the recent spate of NUSSL (they supply our bar) payments amounting to over £4k that should have been charged to the bar. Especially concerning is that these mistaken payments can be lost as students move on from Durham and build up over the years to significant amounts. Therefore the direct debit can act as a leak in the tank and as miscellaneous agreements build up over the years

### iii. VAT Oversight

The DSO recently changed the way they handle tax returns and this has had a significant impact on the JCRs. For example, in 2016-17 we were a beneficiary of £7,000 in reclaimed VAT, while last year we lost around £1,000 overall. In the final quarter of 2017-18, once the DSO had implemented their new system, we lost £2,500 in VAT. Although we managed to reverse this situation in the first quarter of 2018-19, we did not actually change the way we submit VAT information to the University. Evidently, therefore, the DSO's interpretation of tax law is completely unpredictable and we simply don't know if we can or can't reclaim VAT from quarter to quarter. This could cost us well over £10,000 on regular expenditure annually, and major investments like the JCR refurbishment or the purchase of a new rowing boat could add over £7,000 to that figure. Informal discussions with a former VAT advisor now studying here suggest that the University is applying rules on VAT too stringently

A Sabbatical Treasurer/FACSO (see below for description of the role) would be able to make any such relevant decisions regarding VAT and as is the case at Grey, the holder of this role would submit returns to HMRC. Handling this ourselves would again return us to being a net beneficiary of VAT rather than a net loser, as we wouldn't have to apply VAT as strictly as the DSO does, which would have a significant positive impact on our finances.



#### iv. Investments

Financial restrictions imposed by the DSO mean that as a JCR we are unable to properly invest our funds. When the Framework was created, it was suggested that JCRs could have access to the University's banking arrangements through which they could invest their reserves, however such access has never materialised. Meanwhile, Grey JCR make around £20k every four to five years thanks to an investment they have with Schroder's, and should the Mildert JCR become independent this could be a further source of income which produces significant amounts of revenue to be reinvested in the JCR.

#### v. Accounting Efficiency

The DSO's management of JCR accounts renders accurate budgeting and financial management impossible. Presently the DSO is able to edit our accounts retrospectively, such that Xero (the accounting software we are made to use) often displays completely different figures day to day. This makes the role of the President and Treasurer in budgeting extremely difficult. Along with this, payments often either enter or leave our accounts with no information other than it is from or to Durham University, in which case it can weeks to figure out what this is. When large sums of money are consistently moving in and out of accounts with no indications as to what they are it becomes very difficult to manage the JCR's finances.

As an independent JCR with a sabbatical President and Treasurer accounting would be much easier as the JCR would have full control over what leaves and enters our accounts. The DSO would no longer be able to retrospectively edit our income or expenditure and consequently mangle our historical financial records. The advantages of proper and accurate accounting are obvious, and the wider financial impact this could have on the JCR is not insignificant.

#### vi. Fundraisers

HMRC have limited every charity to 15 'fundraising events' in any given year.<sup>1</sup> A fundraising event is in which the organising body doesn't have to pay VAT on income because the point of the event is to raise money for the charity. Such events include balls, discos, live performances, sports, dinners, and more. As a part of the DSO we are in a very limited position, and we are unable to actually run our events as fundraisers since decisions about taxation are all taken by the DSO, and currently their interpretation of the law is unclear to the extent that we have *never* run an event as a fundraiser. If Mildert was independent, like Grey, we could run our balls and other events as fundraisers, meaning we wouldn't have to pay VAT on income. Over the course of a year this could be, depending on the VAT charged on expenditure, around 8% extra income across all our major events, and possibly even our minor ones too. This could amount to as much as £12k every year.

#### vii. Multiple Accounts, PayPal, and other online services

A minor point which is related to several others, but worth making clear, is that the DSO currently prohibits JCRs from having more than one account, which also precludes us from using PayPal (among other online finance-related services). As an independent JCR we could have multiple accounts (e.g. an investment account) and also use PayPal and similar services. This extends to the most basic online services, such that Collingwood's JCR was recently stopped from even having its own website.

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<sup>1</sup> <https://www.gov.uk/government/publications/charity-fundraising-events-exemptions/fundraising-events-exemption-for-charities-and-other-qualifying-bodies>

## viii. Card Readers

It took two years for PresComm to convince the DSO to let them have a trial run of PDQ/card machines. This trial is ongoing at St. Aidan's. By the time we are allowed to have our own card machines (if at all) it may have taken half a decade in all, if not longer. As an independent JCR we could simply get our own card machines and begin to use them immediately. This would improve income for the shop, as proven by the increase in Aidan's Shop returns, since it would be much easier for people to purchase their goods. It could also increase income for other events which charge on the door. People are carrying cash far less often in 2018, and so it is imperative that people are able to pay for JCR events by card. They could even pay gym membership or the JCR levy in this way. It is difficult to create an exact figure for how much this would increase our income, but the positive effect of a card machine on the smooth running of the JCR is indisputable.

## ix. Autonomy

Independence from the DSO would grant the JCR the level of autonomy it deserves. This manifests both in practical ways (for example, every expenditure over £5k has to be approved by somebody in the DSO, plus every card payment over £1k) and in broader, more symbolic ways. Rather than the JCR's money essentially belonging to the University, as it currently does, the JCR's funds would be fully self-sustaining and self-governed, which puts us in a far stronger position than we currently hold. For example, the DSO Framework prevails over any and all internal JCR Standing Orders. If we left, that would no longer be the case.

**Standing Orders 2.1** The JCR must be operated in accordance with the DSO Framework and its Standing Orders. Should there be a conflict between the Framework and the Standing Orders, the requirements of the Framework will take precedence.

The Framework also stipulates that the JCR President will have a line manager.

**4.2** For each Common Room President, the choice of line manager, who will be a member of University staff who is also a member of the College Council, will be by mutual agreement between the President and the Head of College.

Although the JCR has had an excellent relationship with College in recent years and will hopefully continue to do so, this change would be important in that the removal of a line manager would allow the President (and also the Sabbatical Treasurer) to fully represent the interests of the JCR without any conflict of interest arising. This would not mean the President and Treasurer no longer have oversight – they would still be accountable to you as students and with oversight from the Board of Trustees as explained in the following section.

## x. Board of Trustees

As an independently registered charity our JCR would have a Board of Trustees, most likely made up of students and alumni with specialist knowledge in areas such as finance, law and education. We would benefit from their skills and advice, as well as their scrutiny, which would add another level of accountability to the people who run the JCR and ensure that all of our activities and spending works to fulfil our charitable objectives. These charitable objectives would be along the lines of promoting the interests of the students of Mildert to the College and University, and providing opportunities for social and educational development, much as we do at the moment – it would not result in a change to what the JCR does day-to-day. It would also place the long-term decision-making and strategy of the JCR firmly in the hands of people who truly understand what it means to be a part of our community. Many people we work with in the DSO do not seem to understand what a JCR really is, much to our detriment.

## **xi. Better budgeting and financial management**

A Sabbatical Treasurer working with the President would allow for far better budgeting, scrutiny of expenditure by societies and committees, and scrutiny of formal payments and sports team subs. This is both because the Sabbatical Treasurer would be able to do this work as somebody employed full-time to look after the JCR finances, and because they could take on the main financial duties and leave the chasing up of formal payments and sports team subs to a regular student treasurer. In addition, a Sabbatical Treasurer would be able to put far more time and effort both into budgeting for the JCR and monitoring progress over the course of a financial year. This closer scrutiny would have an undoubted impact on both income and expenditure, as the budgets for all our events, societies, and committees would be subject to a more rigorous assessment than they presently are. This could bring in several thousand pounds net in reduced expenditure and increased income.

## **xii. Relationships within the JCR**

Since a Sabbatical Treasurer could handle much more of the financial work than a student treasurer presently can, the President would become freer to do other work in the JCR and College, supporting the rest of Exec and focussing more time on community, democracy, events, outreach, and other crucial parts of the JCR.

## **xiii. Levy management**

Although the handling of the JCR Levy payment system does not necessarily relate to our membership of the DSO Framework, as an independent JCR we would be much better placed to re-structure it. Currently we pay VAT on the full £155 of our Levy, which reduced our income by over £8,000 this year alone. At Grey they have a better model whereby the Levy is split into sections with different rates of VAT. Were we to adopt their model then it could bring in an extra £4,000 of income, if not more. Indeed, none of the independent JCRs pay VAT on their entire levy, and although there is no single method we would have to adopt, the options are there and our income would increase whichever one we choose.

## **V. How would it work?**

We would need to become our own independent charity with a Board of Trustees and a Sabbatical Treasurer to help administer and maintain our finances and other crucial admin. After notifying the University of our decision to leave the DSO there would be a year-long transition during which the groundwork for the JCR's new organisational form as an independent charity would be laid.

### **i. Board of Trustees**

We would have to set up a Board of Trustees to 'govern' the charity. They would essentially act as the body liable for all our actions, and would play a key decision-making role, voting on the most important matters affecting the JCR. At Grey the Board of Trustees comprises the President, the Sabbatical Treasurer, several elected student trustees, four alumni (including a former President) two of whom are barristers, and one 'external trustee' (i.e. somebody who was not a member of the college). A Mildert JCR Board of Trustees would likely be made up of a similar group of people, with alumni and external trustees being chosen based on the specific technical expertise they can bring to the JCR, and we would be able to benefit from their knowledge in a way we currently cannot.

There is no single model we would have to adopt, as Grey, Cuth's, and John's all have different membership arrangements and different methods for appointing trustees. Some of their trustees serve four year terms and are elected by the rest of the board, while others are students voted in by the JCR to act as representatives. No decision needs to be taken immediately about the way we would form our Board, and the process of doing so would begin if the JCR voted to leave the DSO Framework. However, it is important to note the centrality of the Board of Trustees to an independent charity, and that whichever process for appointment and Board membership is chosen, it would be a rigorous and appropriate one. Furthermore, we have a diverse and extensive network of alumni which can be drawn on to source members.

### **ii. Sabbatical Treasurer/Financial and Commercial Services Officer**

It would be absolutely necessary to employ a Sabbatical Treasurer if we became an independent JCR, as is the case at Grey. This would be a finalist student who is elected to hold the role for a year after graduating, very similar to the President, the Bar Steward, and the Development Officer, along with other sabbatical roles elsewhere in the University. This is required for a number of reasons, but also provides a great many advantages to the JCR. It should also be noted that this Sabbatical Treasurer, or FACSO as the role is called at Grey, would hold many more responsibilities and duties than the current, non-sabbatical role of JCR Treasurer.

We would need a Sabbatical Treasurer (or another form of employee) to work to administer the JCR's finances and help set-up the JCR as an independent charity. It will take a fair amount of effort and time to do this properly, and if the work is carried out by somebody employed full time to do it, then we can ensure it happens in the proper way. And then, moving forward, the Sabbatical Treasurer will ensure compliance with the relevant laws and regulations around charities. This may sound daunting but the Sabbatical Treasurer at Grey does precisely that. They would handle tax returns to HMRC, proper accounting and budgeting, and all financially-related administration, for example complying with legal requirements to run events as charitable fundraisers. For the JCR to run efficiently and effectively as a body independent of the JCR a Sabbatical Treasurer would be need for all these reasons. Otherwise it would be extremely difficult for a JCR President (along with a student treasurer) to handle the workload

required to operate properly as an independent charity. There are also *significant* advantages to having a Sabbatical Treasurer. Many of these are outlined in the previous section, where the administrative advantages are made very clear.

### iii. Register as independent charity

During the transition year we would have to go about registering as an independent charity. Obviously this will require a certain amount of work, however Grey did this in 2011 and hundreds of new charities are created every year. A President and Sabbatical Treasurer working together could manage this responsibility.

### iv. Costings

Financial Benefits of Independence (Annual)		Financial Costs of Independence (Annual)	
Increased events/fundraiser profit.	£9,000	Sabbatical Treasurer's wage	£17,000
Increased VAT reclaims	£8,000	Insurance Costs	£5,500
Extra Income from card machine	£2,500	Accounting/Auditing Costs, incl. Xero	£2,250
More efficient financial management	£2,500	Misc. expenditure (PAT testing, admin etc.)	£1,000
Returns from investments	£3,000		
Direct debit removal and related payments	£2,000		
Full shop audit and management	£2,000		
Scrutiny of formal payments and subs	£4,000		
Increased return from split levies	£4,000		
<b>Totals</b>	<b>£37,000</b>	<b>Totals</b>	<b>£25,750</b>
<b>Difference (Likely)</b>	<b>£11,250</b>		

**Increased Events/Fundraiser profit:** Events such as balls can be run as charitable fundraisers for the JCR. This means that we would no longer need to pay VAT on any income we receive. Furthermore, because we would not be able to reclaim VAT on any expenditure associated with the event we would not lose out if people are unable to find VAT receipts for their invoices.

**Increased VAT reclaims:** Due to a lack of certainty about what we can reclaim VAT on (for instance the JCR refurb) and varying standards of evidence needed to reclaim VAT we lose a lot of money which we should be able to reclaim when we have full control of tax returns.

**Extra income from card machine:** Many people would like to purchase things from the shop but can't because they don't carry cash. A card machine would greatly increase shop's takings and could also be used for things such as gym memberships and levies.

**Returns from investments:** Through investing the JCR's reserves (for instance £60,000) we would receive a yearly return which could later be invested back into the JCR.

**Direct Debit removal:** Currently the College and University can direct debit money from our account. This is done on things such as damages which are often not the JCR's responsibility or are excessively expensive.

**Full shop audit and management:** By having a paid member of staff overseeing the shop we will better be able to diversify what is stocked, ensure that we are not spending money needlessly and ensuring that the mark-up on products is sensible.

**Scrutiny of formal payments and subs:** A FACSO would have more time than a normal JCR Treasurer to ensure that formal payments and sports subs are being paid. They would also be able to work more closely with alumni and sponsors to find alternative sources of income.

**Increased return from split levies:** Through splitting the levy so that a portion is a donation we can reduce the amount of VAT we need to pay. For instance, if half of the levy were VAT exempt (because it was a donation) we would receive an additional £13 per person when they join the JCR.

## v. Referendum Schedule

Ideally the referendum will be announced at the end of Michaelmas Term, to be held in the 5<sup>th</sup> week of Epiphany Term. During this time we will also tell the University about our referendum, and if we voted to leave then per the DSO Framework we would have to officially notify the University of our decision, after which a full academic year would pass before any legal change of status occurs. It is during this transition year that Mildert's JCR would be set-up as an independently registered charity, including the creation of a Board of Trustees, a new set of Standing Orders, and Memoranda of Understanding between JCR, the College, and the University.

**18-19** ~ vote on membership of the DSO Framework

**19-20** ~ transition year during which we remain part of the University legally

**20-21** ~ change of legal status takes place and Mildert operates as an independent charity

