

**CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014**

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**BIDDULPH YOUTH AND COMMUNITY ZONE LIMITED**

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**RULES**

ADOPTED <sup>24</sup> ~~DECEMBER~~ <sup>NOVEMBER</sup> 2014



**Geldards**  
law firm

## THE RULES of BIDDULPH YOUTH AND COMMUNITY ZONE LIMITED

### 1 NAME

The name of the Society shall be Biddulph Youth and Community Zone Limited and it is called the "Society" in these Rules.

### 2 OBJECTS

#### 2.1 The Objects of the Society are to:

2.1.1 promote and provide in the community of Biddulph and surrounding areas education, training, recreation and healthy living for young people; and

2.1.2 promote community cohesion in the community of Biddulph and surrounding areas by providing facilities and services for persons in need by reason of their age, health, unemployment or economic circumstances.

#### 2.2 To engage in any activities which in the reasonable opinion of the Board are conducive, ancillary or incidental to any of the above.

*(Referred to in this document as "the Objects")*

### 3 POWERS

#### 3.1 The Society shall have the power to do all things necessary or expedient for the furtherance of its Objects, except where expressly prohibited by these Rules.

#### 3.2 Without limiting its general powers, the Society shall have the power to:

3.2.1 purchase, take or grant any interest in land and to erect, or carry out works to buildings;

3.2.2 to buy, take on lease or in exchange, develop, hire or otherwise acquire any real or personal property and to construct, maintain and equip it for use together with any amenities incidental thereto;

3.2.3 to co-operate with charities, voluntary bodies, statutory authorities or private organisations to exchange information and advice and enter into and perform contracts or joint ventures with them;

3.2.4 to employ paid or unpaid agents, staff, volunteers or advisers;

3.2.5 to pay remuneration and allowances to any person including making arrangements for providing, or securing the provision of pensions or gratuities (including those payable by way of compensation for loss of employment or loss or reduction of pay);

3.2.6 to subscribe or guarantee money for any national, local, charitable, benevolent, public, general or useful object, or for any exhibition or for any other purpose which may be considered likely, directly or indirectly, to further the Objects of the Society;

- 3.2.7 to provide indemnity insurance for the Board members or any other officer of the Society in relation to any liability in respect of negligence, default, breach of duty or breach of trust including the legal costs of defending any proceedings in respect of the same;
- 3.2.8 to indemnify out of the funds of the Society Board members and officers of the Society who act honestly and in good faith against any personal civil liability which is incurred in the execution or purported execution of their functions;
- 3.2.9 to effect insurance against any risk to the Society's property and to take out other insurance policies to protect the Society its members and staff where required, such as legal expenses insurance and professional indemnity insurance;
- 3.2.10 to open and operate bank accounts;
- 3.2.11 to lend or advance any money or give credit on such terms as may be expedient with or without security and to make charitable donations;
- 3.2.12 to acquire and undertake the whole or any part of the business, operations, goodwill and/or assets of any public body, person, firm or company carrying on or proposing to carry on any of the business which the Society is authorised to carry on so as directly or indirectly to further the Objects or enhance the value of the Society's property;
- 3.2.13 subject to Rules 17, 21 and 22 below, to transfer all or any part of the undertaking, property and rights of the Society to any body, incorporated or unincorporated with which the Society is authorised to amalgamate;
- 3.2.14 guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging, assigning, or charging (both fixed and floating security) all or any part of the undertaking, property and assets (present and future) of the Society or by both such methods or in any other way, the performance of any obligations or commitments of, and repayment or payment of any monies payable or in respect of any securities of liabilities of the Society;
- 3.2.15 to apply for, exercise, use, register, turn to account, purchase, acquire, sell, let, grant or otherwise deal with or use any letters patent, trade marks, brevets d'invention, concessions, licences, inventions, rights, privileges, or any interest in the same;
- 3.2.16 to enter into contracts, joint ventures or partnerships with any natural or legal person and to provide investments in projects to further the Objects on such terms as the Board thinks fit;
- 3.2.17 to borrow money for the purposes of or in connection with its Objects, subject to a limit of £500,000 (five hundred thousand pounds) in any one transaction;
- 3.2.18 to provide training and consultancy services; and
- 3.2.19 to establish subsidiary organisations as the Board deems fit.

#### **4 REGISTERED OFFICE**

The registered office of the Society shall be at Mow House Farm, Church Lane, Mow Cop, Staffordshire, ST7 4LY.

#### **5 MEMBERSHIP**

- 5.1 The first members of the Society shall be the signatories to the application for registration.
- 5.2 Membership is open to any person who has an interest in supporting and furthering the work of the Society and who completes a membership application in a form specified by the Board from time to time. Membership shall be on such terms and conditions as the *Society may from time to time determine in General Meetings, or as determined by the Board* subject to review by the Society at a General Meeting. Membership shall be open to all members of the Board whilst they hold that office.
- 5.3 A person who qualifies under Rule 5.2 above may apply to the Secretary for membership and upon acceptance by the Board and receipt of the signed application form and payment of £10.00 the Society shall issue to him or her one share certificate and shall enter his or her name in the register of members.
- 5.4 The Board may refuse any application for membership at its absolute discretion.
- 5.5 The Society shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
- 5.5.1 *the name and address of every member (and any electronic address and the purpose for which it has been notified);*
  - 5.5.2 a statement of shares held by each member (as appropriate) and the amount that has been paid on each share;
  - 5.5.3 a statement of other property in the Society, whether in loans or otherwise, held *by each member;*
  - 5.5.4 the date on which each member's name was entered in the register and the date on which any member ceased to be a member;
  - 5.5.5 the names and addresses (including any electronic address and the purpose for which it has been notified) of the Board members and officers of the Society, of the offices held by them respectively, and the dates on which they assumed and *vacated the office.*
- 5.6 A copy of these Rules and any amendments made to them shall be given on request free of charge to every member upon admission to membership and shall be provided to any other person on demand and on payment of the relevant statutory fee chargeable for the time being.

#### **6 CESSATION OF MEMBERSHIP**

- 6.1 A member shall cease to be a member if he or she:
- 6.1.1 resigns in writing to the Secretary by giving one month's written notice; or

- 6.1.2 *where applicable, fails to pay on demand any subscription due in respect of membership within three months of its falling due or fails to comply with the terms of membership; or*
  - 6.1.3 *is expelled or ceases to be entitled to be a member of the Society under these Rules; or*
  - 6.1.4 *being an individual, dies or ceases to comply with any criteria for such membership determined from time to time by the Board; or*
  - 6.1.5 *is struck off any professional register by order of a relevant professional body or is found guilty of serious professional misconduct by any regulatory authority and either the member does not appeal against such decisions (or any decision to uphold such decision on appeal) or such decisions are upheld following the exercise by the member of all available rights of appeal against such decisions; or*
  - 6.1.6 *is expelled by a resolution passed by a majority of the Board.*
- 6.2 A member may also be expelled for conduct prejudicial to the Society by a resolution carried by a simple majority of the members, provided that the grounds for expulsion have been specified in the notice calling the meeting and that the member whose expulsion is to be considered has been given the opportunity to state his or her case to the meeting. If on due notice of the meeting being served the member fails to attend the meeting the meeting may proceed in the member's absence.
- 6.3 No member expelled from membership shall be re-admitted except by a resolution carried by a simple majority of those members voting at a General Meeting of which due notice has been given and the Board agrees to re-admit the person as a member.

## **7 GENERAL MEETINGS**

- 7.1 An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which shall comprise:
- 7.1.1 *the receipt of the accounts and balance sheet and of the reports of the Board and auditor;*
  - 7.1.2 *the re-appointment of an auditor;*
  - 7.1.3 *the election of members of the Board (or the announcement of the results of election if held previously by ballot); and*
  - 7.1.4 *the transaction of any other business included in the notice convening the meeting.*
- 7.2 There shall be two types of General Meeting, the Annual General Meeting and Special General Meetings.
- 7.3 A Special General Meeting shall be convened either by order of the Board or at the request of 10% (ten per cent) of the membership by notice in writing lodged at the Registered Office.

- 7.4 If requested by 10% (ten percent) of the membership by notice in writing received at least 10 days before the meeting, an item of business shall be added to the agenda for the General Meeting and a draft resolution together with an accompanying statement of up to 1000 words may be supplied. Unless they consider it defamatory, frivolous or vexatious, the Board shall circulate the same in advance of the meeting, together with a statement in reply.
- 7.5 An Annual General Meeting or a Special General Meeting shall be called by at least fourteen days' notice in writing posted or delivered by email to the address of every member recorded in the register of members (where such member has consented to *electronic communication on their application for membership*), or by such other means as the Board deems appropriate specifying whether the meeting is an Annual or a Special General Meeting and stating the time, date and place at which it is to be held. The notice shall contain details of the nature of the business to be transacted, and no business may be transacted at a General Meeting other than that specified in the notices calling it.
- 7.6 The Society's auditor shall be entitled to attend General Meetings of the Society and to *receive all notices of and communications relating to any General Meeting which any member of the Society is entitled to receive*. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.
- 8 PROCEEDINGS AT ANNUAL GENERAL MEETINGS AND SPECIAL GENERAL MEETINGS**
- 8.1 *No person shall be entitled to vote on any question at a General Meeting other than a member of the Society.*
- 8.2 No business shall be transacted at a General Meeting unless a quorum is present in person or by proxy. Unless and until otherwise decided by the Society in General Meeting, a quorum shall be at least two of the members of the Society, except that:
- 8.2.1 *at any General Meeting convened on a requisition of the members to do any of the following:*
- 8.2.1.1 to approve a conversion into, an amalgamation with, or transfer of engagements to a company or another organisation; or
- 8.2.1.2 to dismiss the Board or any individual Board Member; or
- 8.2.1.3 to change the name or Objects of the Society
- the quorum required shall be 20% (twenty per cent) of the members of the Society.
- 8.2.2 A member present by proxy shall exercise voting rights through the Chair. The appropriate form of proxy shall be determined by the Board from time to time.
- 8.3 If within half an hour after the time appointed for the General Meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. With the exception of the business set out in Rule 8.2.1 above, if at such a reconvened meeting a quorum is not present within half an hour after the time set for the

- meeting, then the members present shall constitute a quorum and may proceed to transact the business set out in the notice.
- 8.4 The Chair or Vice-Chair of the Society shall preside at every General Meeting. In the event of his or her absence or unwillingness to act, the members present shall choose one of their own number to chair the meeting.
- 8.5 The Chair may with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 8.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, or electronic voting system approved by the Board from time to time unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least 20% (twenty per cent) or 2 (two), whichever is greater of the members present. Unless a secret ballot be so demanded, a declaration by the Chair that a resolution has on a show of hands or electronic vote been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such a resolution.
- 8.7 If a secret ballot is duly demanded it shall be taken in such a manner as the Chair directs, provided that subject to Rule 8.2.2 no member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
- 8.8 The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any business other than the questions on which ballot has been demanded. The demand for a secret ballot may be withdrawn.
- 8.9 Every member shall hold one vote only on each question to be decided at a General Meeting. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast. The votes of persons present by proxy shall be taken into account in any such show of hands or secret ballot.
- 8.10 In the case of an equality of votes, whether on a show of hands, electronic vote, or on a ballot, the Chair shall have a second or casting vote.
- 8.11 The Board may introduce arrangements for members to vote by post, or by using electronic communications.
- 8.12 The Board may agree that members may participate in meetings by video or computer link or some other electronic means. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.

**9 THE BOARD**

- 9.1 The business of the Society shall be managed by the Board, which may, subject to these Rules, the general law and the roles and responsibilities of the Board, exercise all powers of the Society and delegate its functions to committees, executive officers or such person as it sees fit.
- 9.2 The Society shall have a Board comprised of up to 6 (six) and not less than 2 (two) board members which once fully constituted shall include at least the following:
  - 9.2.1 One person elected by the community in a manner determined by the Board; and
  - 9.2.2 One person elected by young service users in a manner determined by the Board.
- 9.3 All Board members (except for the Chair) will have an initial term of office of three years. Following this, at each Annual General Meeting thereafter, one third of Board Members in shall retire, those longest in office retiring first and the choice between any of equal length of service being made by drawing lots.
- 9.4 If the Society, at the meeting at which a Board member retires in the above manner, does not fill the vacancy, the Board member shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-appointment of the Board member is put to the meeting and lost.
- 9.5 New Board members shall be nominated and approved in accordance with such procedures as may be adopted by the Board from time to time.
- 9.6 The Board may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy on the Board. Any person co-opted by the Board may be removed by a simple majority vote of the Board. A casual vacancy shall be deemed to exist if the number of Board members drops below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
- 9.7 Where the Board has co-opted a member to fill a casual vacancy on the Board, the appointment must be ratified at the next Annual General Meeting.
- 9.8 No person less than 16 years of age may serve on the Board.
- 9.9 In the event that the size of the Board should drop below the minimum number of Board members prescribed in these Rules, the members of the Board may act to increase their number or to call a General Meeting of the Society, but not for any other purpose.
- 9.10 A Board member shall declare an interest in any contract arrangement or matter in which he, she or their spouse or partner or a family member has a personal or financial interest, whether directly or indirectly, and shall not vote in respect of such a contract or matter.
- 9.11 Board members may be reimbursed all reasonable and proper expenses incurred by them in attending meetings of the Board or General Meetings of the Society or in connection with the business of the Society.



- 9.12 Board members may receive remuneration for their services provided that the majority of the Board members are not paid for their services as Board Members. A Board member shall withdraw from any meeting whilst his or her appointment, remuneration or other terms of employment are being discussed.
- 9.13 The office of Board member shall be vacated if the Board member:
- 9.13.1 resigns his or her office by one month's notice in writing to the Secretary; or
  - 9.13.2 is expelled as a member of the Society for any reason whatsoever; or
  - 9.13.3 is removed from office by a majority vote of the members in General Meeting, the notice for which specified that the question of the Board member's removal was to be considered; or
  - 9.13.4 in the opinion of a majority of the Board, has failed to declare his or her interest in any contract arrangement or matter as referred to in Rule 9.11; or
  - 9.13.5 *is absent from 3 (three) successive meetings of the Board during a continuous period of twelve months without special leave of absence from the Chair and the Board resolves that he or she has by reason of such absence vacated office; or*
  - 9.13.6 becomes bankrupt or, in the reasonable opinion of the Board, incapable on medical or psychological grounds (confirmed by a certificate of a registered medical practitioner) of carrying out the functions of a Board member; or
  - 9.13.7 is removed by a resolution carried by a 75% (seventy-five per cent) majority of the Board; or
  - 9.13.8 is a nominee of a corporate body and that body replaces him as its nominee or that body is wound up; or
  - 9.13.9 is struck off any professional register by order of a relevant professional body or is found guilty of serious professional misconduct by any regulatory authority and either the member does not appeal against such decisions (or any decision to uphold such decision on appeal) or such decisions are upheld following the exercise by the member of all available rights of appeal against such decisions.
- 9.14 The Board may establish Advisory Groups including representatives of service users on such terms as the Board deems fit.

## 10 OFFICERS OF THE BOARD

- 10.1 The Board shall select an independent Chair and a Vice Chair. The Chair and Vice Chair shall hold office for twelve months and shall be eligible for re-election at the meeting at which they retire. In the event of a deadlock in Board decisions the Chair shall have a casting vote.
- 10.2 The business of the Society shall be managed by the Board who may pay all expenses of the formation of the Society as they think fit and may exercise all such powers of the Society as may be exercised by the Society (unless they are required by statute or by these Rules to be exercised by the Society in General Meetings). In exercising its powers, the Board shall have regard to any written representations received by the Board from any of the Society's advisory groups.

- 10.3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed or otherwise executed in such a manner as the Board shall from time to time direct.
- 10.4 The Board may delegate any of its functions to sub-committees made up of members of the Board and such other persons as it sees fit. Any sub-committee so formed shall in the exercise of its powers conform with any terms of reference or regulations imposed upon it by the Board, which shall always include the requirement for regular and prompt reports back to the Board. At the time of appointment the Board shall determine the terms of reference, membership, quorum and scope of any such sub-committees.
- 10.5 The first Secretary shall be the person named as such on the application for incorporation. Thereafter the Secretary shall be appointed by the Board on such terms as they think fit including the payment of remuneration. The Secretary shall have the functions set out in these Rules and other functions which the Board assigns.

## 11 PROCEEDINGS AT BOARD MEETINGS

- 11.1 The Board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Board members summon a meeting of the Board at any reasonable time by giving all Board members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered. The Board shall meet every quarter as a minimum.
- 11.2 Unless and until otherwise decided by the Society in General Meeting, the quorum necessary for the transaction of business at a Board meeting shall be 2 (two) members of the Board present in person provided that the quorum must include at least one Board member who is an independent non-executive.
- 11.3 The Board may invite officers and advisers to attend and speak at Board meetings.
- 11.4 At every Board meeting the Chair or the Vice Chair shall preside, but in the event of his or her absence or unwillingness to act the Board members present shall choose one of their number to chair the meeting.
- 11.5 The Secretary shall ensure that proper minutes are made of all the proceedings of the Society, of the Board and of any sub-committees. All such minutes shall be open to inspection by any member of the Board and members at all reasonable times and the Society shall provide a copy upon request.
- 11.6 Except where otherwise specified by these Rules or by the Act, questions arising at Board meetings shall be decided by a majority of votes of those present and eligible to vote. In the event of a tied vote, the Chair shall have a second or casting vote.
- 11.7 A resolution in writing which has been sent to all members of the Board or members of a sub-committee who are entitled to receive notice of a meeting of the Board or that sub-committee and signed by a majority of the Board members for the time being entitled to vote at meetings of the Board or that sub-committee of the Board shall be as valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several documents in the same form, each signed by one or more Board members.

- 11.8 The Board may hold a meeting as a virtual meeting via the internet or by such other method of telecommunication or electronic means as the Board considers suitable and expedient, provided that each participant is able to hear the proceedings and be heard by the other participants.

## 12 SHARES

- 12.1 The Society has shares of £10 each.
- 12.2 Application for shares shall be made to the Board, and is subject to any maximum permitted by law. Shares shall be paid for in full on application.
- 12.3 The minimum shareholding shall be one share. The Society may from time to time make a community share offer, and any such offer may specify a minimum number of shares.
- 12.4 Shares are not transferable except on death or bankruptcy, and shall be withdrawable at the sole discretion of the Board in accordance with the Rules as follows:
- 12.4.1 *shares may be withdrawn by members who have held them for a minimum period of three years or such other period as the Board may decide from time to time;*
- 12.4.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Board;
- 12.4.3 the Board may specify a maximum total withdrawal for each financial year;
- 12.4.4 all withdrawals must be funded from trading profits, reserves or new share capital raised from members, and are at the absolute discretion of the Board having regard to the long term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Board must be satisfied that:
- (i) as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
- (ii) the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal.
- 12.4.5 all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made;
- 12.4.6 except where a member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by the Rules;
- 12.4.7 the Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;
- 12.4.8 the Board may by written announcement published on its website suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall apply to all notices of withdrawal which have been

*received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Board;*

- 12.4.9 during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board agrees, be withdrawn by their personal representatives on giving such notice as the Board requires;
  - 12.4.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares.
- 12.5 The Society may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds, subject to the following:
- 12.5.1 any payment of interest must be from trading profits and is at the discretion of the Board having regard to the long term interests of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit;
  - 12.5.2 the rate of interest to be paid in any year is to be approved by resolution of the members at the Annual General Meeting, and shall not exceed 2% above the base rate of the Bank of England from time to time;
  - 12.5.3 the Board may decide that interest shall not be paid in relation to holdings of shares below a minimum level.
- 12.6 On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of their paid up share capital.
- 12.7 In the event that a member resigns from membership, is removed from the Register of Members, or is expelled in accordance with the Rules, shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former member by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in these Rules, and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.

### **13 BORROWING**

- 13.1 The Board shall have power to borrow money for the purposes of the Society, including the issue of loan stock, providing that the amount owed shall not exceed £500,000 (five hundred thousand pounds).
- 13.2 The Board shall have the power to mortgage or charge any of the Society's property, including the assets and undertakings of the Society, present and future, to issue debentures and other securities for money borrowed or for the performance of any contracts of the Society or bodies having dealings with the Society.
- 13.3 The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a Building Society or Local Authority shall not exceed 6½% per year or 3% above the base lending rate of the Society's bankers from time to time, *(whichever is the higher) without the consent of the members in general meeting.*
- 13.4 The Society may receive from any person donations or loans free of interest towards its work.

## **14 AUDITORS**

- 14.1 Subject to clause 14.2 below, the Society shall appoint in each financial year an auditor qualified under section 91 of the Co-operative and Community Benefit Societies Act 2014 to audit the Society's accounts and balance sheet for the year.
- 14.2 The Society shall be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors. In such an event, the Society may appoint two persons who are not qualified auditors but are appropriately registered accountants to audit the accounts and balance sheet for the year.
- 14.3 None of the following shall be appointed as auditor of the Society:
- 14.3.1 an officer or employee of the Society;
  - 14.3.2 a person who is a partner or employee of or who employs an officer of the *Society*.
- 14.4 The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Board if no General Meeting is held within that time. The Board may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these Rules, every appointment of an auditor shall thereafter be made by a resolution of a General Meeting of the Society.
- 14.5 An auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless:
- 14.5.1 a resolution is passed at a General Meeting appointing someone else as auditor or providing expressly that he shall not be re-appointed; or
  - 14.5.2 he has given notice in writing to the Society of his unwillingness to be re-appointed; or
  - 14.5.3 he is ineligible for the appointment as auditor of the Society for the current financial year; or
  - 14.5.4 he has ceased to act as auditor of the Society by reason of incapacity.
- 14.6 Any resolution of a General Meeting of the Society either to remove an auditor from office or to appoint another person as auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such a resolution is then to be given to members of the Society in the manner prescribed in Rule 7.4 and in writing to the auditors.

## **15 ANNUAL RETURN**

- 15.1 Every year and within the period prescribed by statute, the Secretary shall send to the FCA the annual return, in the form prescribed by the FCA, relating to its affairs for the period required by the Act to be included in the return together with:

- 15.1.1 a copy of the report of the auditor on the Society's accounts for the period required by the Act to be included in the return; and
  - 15.1.2 a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.
- 15.2 The Society shall on demand supply free of charge to any member, or to any person with an interest in the funds of the Society, a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.
- 15.3 The Society shall at all times keep a copy of the latest balance sheet of the Society displayed in a conspicuous place at the registered office.

## 16 NOTICES

- 16.1 Notices under these Rules may be sent by hand, or by post or by suitable electronic means or (where applicable to members generally) may be published in any suitable journal or newspaper circulating in the area of benefit or in any newsletter distributed by the Society, may be posted on the Society's website or using such other means as the Board deems appropriate.
- 16.2 The address at which a member is entitled to receive notices is the address noted in the register of members (or, if none, the last known address).
- 16.3 Any notice given in accordance with these Rules is to be treated for all purposes as having been received:
- 16.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;
  - 16.3.2 two clear days after being sent by first class post to that address;
  - 16.3.3 three clear days after being sent by second class post or overseas post to that address;
  - 16.3.4 on the date of publication of a journal, newspaper or web page containing the notice;
  - 16.3.5 on being handed to the member or its authorised representative personally; or, if earlier;
  - 16.3.6 as soon as the member acknowledges actual receipt.
- 16.4 A technical defect in the giving of notice of which the members of the Board are unaware at the time shall not invalidate decisions taken at the meeting.

## 17 APPLICATION OF SURPLUS

- 17.1 The Society shall not trade with a view to distributing profits. Any surplus generated by the Society shall be applied solely to the continuation and development of the Society in furtherance of its Objects.
- 17.2 The income and property of the Society shall be applied solely towards the promotion of its Objects as set forth in these Rules and no portion thereof shall be paid or transferred,

directly or indirectly, by way of dividend, or otherwise by way of profit, to members of the Society provided that nothing shall prevent the Society from making payment in good faith at a reasonable and proper rate of fees and charges in respect of professional services or payments to any member, officer or servant of the Society in respect of remuneration for services rendered, interest on withdrawable share capital or moneys lent, rent for premises demised or reimbursement of out-of-pocket expenses or otherwise strictly in accordance with these Rules.

## **18 INVESTMENT OF FUNDS**

- 18.1 The Society may invest any part of its funds in the manner set out in Section 27 of the Co-operative and Community Benefit Societies Act 2014.

## **19 REGULATIONS**

- 19.1 The Society in General Meeting or a Board meeting may from time to time make, adopt and amend such regulations in the form of bye-laws, standing orders, and secondary rules or otherwise as they may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Society and the Board shall be bound by such regulations whether or not they have received a copy of them, provided the text of the same is available on the Society's website.

## **20 AMENDMENTS TO RULES**

- 20.1 Any of these Rules other than this Rule, Rule 21 and Rule 22 may be rescinded or amended or a new Rule made by a vote of at least 75% (seventy five percent) of the members of the Society voting at a General Meeting of which 14 clear days' notice has been given, such notice to include details of the changes to be proposed at the meeting.
- 20.2 No amendment of the Rules shall be valid until registered by the FCA.

## **21 RESTRICTION ON USE**

- 21.1 Pursuant to regulations made under section 29 of the Co-operatives and Community Benefit Societies Act 2014:

21.1.1 All of the Society's assets are subject to a restriction on their use.

21.1.2 The Society must not use or deal with its assets except—

- (i) where the use or dealing is, directly or indirectly, for a purpose that is for *the benefit of the community*;
- (ii) to pay a member of the Society the value of his withdrawable share capital or interest on such capital;
- (iii) to make a payment pursuant to sections 36 (payments in respect of persons lacking capacity) 37 (nomination by members of entitlement to property in society on member's death), 40 (death of a member: *distribution of property not exceeding £5,000*) of the Co-operative and Community Benefit Societies Act 2014;

- (iv) to make a payment in accordance with the rules of the Society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;
- (v) where the Society is to be dissolved or wound up, to pay its creditors; or to transfer its assets to one or more of the following—
  - (a) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
  - (b) a community interest company;
  - (c) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
  - (d) a charity (including a community benefit society that is a charity); or a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.

## 22 DISSOLUTION

- 22.1 The Society may be dissolved by the consent of at least 75% (seventy-five per cent) of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act.
- 22.2 If on the winding up or on dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members but shall be transferred instead to some other charitable body or bodies with Objects similar to or compatible with those of the Society as may be decided by the members at the time of or prior to the dissolution (such a body may include a public authority holding the assets on trust for such purposes).

## 23 INTERPRETATION

- 23.1 In these Rules:
  - “the Act” refers to the Co-operative and Community Benefit Societies Act 2014 or any Act or Acts amending or in substitution for them for the time being in force;
  - “FCA” means the Mutuals Team of the Financial Conduct Authority;
  - “Objects” means the permitted purposes set out in Rule 2;
- 23.2 Any reference to a statutory provision shall be deemed to include any modification, re-enactment or successor legislation from time to time.



**Signatures of Founder Members**

**Full Name**

**Signature**

**Date**

1. (Sarah) Melanie Hilton



23/11/14.

2. Chris Thomas



24/11/14

3. Matthew Tolley



23/11/14.

**Secretary**

**Full Name**

**Signature**

**Date**

1. Mark Johnson



24/11/14