

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

SPECIAL RESOLUTION

GARVALD EDINBURGH

(Registered Number SC060926)

The undernoted resolution was duly passed as a Special Resolution of the above named company by the Members of the Company at the Annual General Meeting on 10 November 2009, viz:

1. Adoption of New Articles of Association

"That the Articles of Association in the form annexed and signed by a director of the Company for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company".

Certified a true copy



Director

FRIDAY



\*S8SNA118\*

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05/03/2010

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COMPANIES HOUSE

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**THE COMPANIES ACT 2006  
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE  
CAPITAL**

**ARTICLES OF ASSOCIATION  
of  
GARVALD EDINBURGH**

2010

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COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES of ASSOCIATION  
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GARVALD EDINBURGH**

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## OBJECTS & ACTIVITIES

### Name

1. The name of the Company is Garvald Edinburgh.

### Objects of the Company

2.
  - A. The objects for which the Company is established are the relief of those in need by reason of age, ill health, disability, financial hardship by the provision of day, accommodation and support services for adults with disabilities.
  - B. In furtherance this objective the Company undertakes the following activities:-
    - i. rents and owns a range of accommodation offering varying degrees of support;
    - ii. provides practical, emotional, social and other support to people living in the community;
    - iii. manages craft workshops and studies providing diverse and creative as well as training opportunities;
    - iv. manages a shop offering work experience and a sales point for goods produced in the workshops;
    - v. organises exhibitions of work undertaken; and
    - vi. provides a range of therapy, educational and training opportunities.
3. The Company in carrying out the above objects shall have and may exercise all or any of the following powers:-
  - (a) to undertake any activities that support the objects of the Company;
  - (b) to encourage, provide, support and otherwise facilitate the work of others interested in the objects of the Company;
  - (c) establish, support or aid in the establishment and support of any charitable associations or institutions established for similar purposes and to subscribe monies for charitable purposes in any way connected with the purposes of the Company or calculated to further its objects;
  - (d) to solicit, receive and accept financial assistance, donations, endowments, gifts and loans of money, rents and any other property whatsoever, heritable or moveable, subject or not to any specific charitable trusts or conditions;
  - (e) to issue appeals, hold public meetings and take such other steps as may be required for the purposes of procuring contributions to the funds of the Company in the form of donations, subscriptions or otherwise;
  - (f) to purchase, take on lease or in exchange or otherwise acquire and to

hold, manage, develop, sell, dispose of lease or deal in any way with any heritable or moveable property and any interests therein;

- (g) to borrow and raise money for the objects of the Company and secure or discharge any debt or obligation of or binding on the Company in such manner and on such terms and conditions as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the real and personal property (present and future) of the Company;
- (h) to invest funds of the Company not immediately required in such investments, securities or property as may be considered appropriate (and to dispose of, or vary, any such investments);
- (i) to grant, continue and pay such remuneration and pensions to any person or persons who renders services to the Company supervising, organising, carrying on the work of and advising the Company as may from time to time be thought proper, and to establish pension funds and other trust funds or charitable arrangements of any kind whatsoever for persons employed at any time by the Company and their dependants;
- (j) to insure and arrange insurance cover for, and to indemnify its officers, employees and voluntary workers and those of its members from and against, all such risks incurred in the course of the performance of their duties as may be thought fit;
- (k) to promote, arrange, organise and conduct seminars, conferences, lectures, meetings and discussions;
- (l) to prepare, edit, print, publish, issue, acquire, circulate and distribute books, pamphlets, papers, periodicals and other literary material, pictures, prints, photography, films, sound recordings and mechanical and other models and equipment, and to establish, form, promote, conduct and maintain public collection displays and exhibitions of literature, statistics, charts, information and other material;
- (m) to construct, erect, alter, improve, demolish and maintain any buildings which may from time to time be required for the purposes of the Company, and to manage, develop, sell, lease, let, mortgage, dispose of or otherwise deal with all or any part of the same;
- (n) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- (o) to establish companies whose activities may further one or more of the above objects, or may generate income to support the activities of the Company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the Company, all such functions as may be associated with a holding company;
- (p) to co-operate and enter into arrangements with any authorities, national, local or otherwise;
- (q) to amalgamate with any companies, organisations, societies or

associations which are charitable at law and have objects altogether or mainly similar to those of the Company and prohibit the payment of any dividend or profit to, and the distribution of any of their assets amongst their members at least to the same extent as such payments or distributions are prohibited in the case of members of the Company by this Memorandum of Association; and

- (r) to do all such other things as are necessary for the attainment of the said objects.

In this clause,

- (a) the expression "charity" shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts.
  - (b) the expression "charitable purpose" shall mean a purpose which constitutes a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Act.
4. The income and property of the Company shall be applied solely towards the promotion of the objects of the Company as set out in Article 0 above and subject to the following paragraphs no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Company. Nothing herein shall prevent any payment in good faith by the Company:-
- (a) of out-of-pocket expenses incurred in carrying out duties by any member, director, officer or employee of the Company;
  - (b) reasonable payment in return for services rendered to the Company;
  - (c) director/trustee indemnity insurance; and
  - (d) payment or benefits permitted in terms of the Charities and Trustee Investment (Scotland) Act 2005.

### **General Structure**

5. The structure of the company consists of:-

- (a) the MEMBERS – who have the right to attend the annual general meeting (and any general meeting) and have important powers under the Articles of Association and the Companies Acts; in particular, the members take decisions in relation to changes to the articles themselves.
- (b) the DIRECTORS – who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company; the directors are also charity trustees.
- (c) the SUPPORTERS – who wish to financially support the Company but who do not have voting rights.

### **Membership**

6. The members of the company shall consist of such persons as are admitted to membership under articles 7 to 12.
7. Membership shall be open to individuals who support the objects of the Company.
8. Potential members may be identified and nominated by the directors. Nominations shall be considered by the members who shall then, if they so decide, confirm the nomination.
9. Any person who wishes to become a member must sign, and lodge with the Company, a written application for membership.
10. Employees of the company shall be eligible to be members and supporters but may not become directors.
11. The maximum number of members shall be 30.
12. The members may, at their discretion, refuse to admit any person to membership.

### **Classes of membership**

13. There shall be one class of members and every member shall have the right to vote.

### **Supporters**

14. Supporters shall be individuals or organisations that support or have supported the Company and who wish to be regarded as supporters. Supporters will not have voting rights but will be eligible to attend events arranged for supporters.

### **Registers of members**

15. The directors shall maintain a register of members, setting out the full name and address of each member and the date on which any member became and ceased to be a member.

### **Withdrawal from membership**

16. Any member who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, they shall cease to be a member.

### **Expulsion from membership**

17. Any member may be expelled from membership by resolution of the directors, providing the following procedures have been observed:-
  - (a) at least 14 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
  - (b) the member concerned shall be entitled to be heard on the resolution at the meeting at which the resolution is proposed.

### **General meetings (meetings of members)**

18. The directors shall convene an annual general meeting in each year.
19. Not more than 15 months shall elapse between one annual general meeting and the next.
20. The business of each annual general meeting shall include:-
  - (a) a report by the chair on the activities of the company
  - (b) consideration of the annual accounts of the company and trustees report
21. The directors may convene a general meeting at any time.
22. The directors must convene a general meeting if there is a valid requisition by no less than 10% of the members from time to time.

### **Notice of general meetings**

23. At least 14 clear days' notice must be given of an annual general meeting or general meeting.
24. The reference to "clear days" in article 24 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice contained in an electronic communication, the day after the time when it was sent) and also the day of the meeting, should be excluded.
25. A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 29) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
26. A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called a general meeting.
27. Notice of every general meeting shall be given either in writing or, (where the party to whom notice is given has notified the company of an address to be used for the purpose of electronic communications), (by way of an electronic communication) to all the members and directors, and (if there are auditors in office at the time) to the auditors.

### **Special resolutions and ordinary resolutions**

28. For the purposes of these articles, a "special resolution" means a resolution passed by 75% or more of the votes cast on the resolution at an annual general meeting or general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 24 to 28; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
29. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,
- (a) to alter its name
  - (b) to alter its memorandum of association with respect to the company's objects
  - (c) to alter any provision of these articles or adopt new articles of association.
30. For the purposes of these articles, an "ordinary resolution" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), and (as applicable) the chairperson's casting vote), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 24 to 28. In determining a majority vote no account shall be taken of abstentions or members absent from the meeting.

### **Procedure at general meetings**

31. No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 5 persons entitled to vote, each being a member or a proxy for a member. Details of the procedure to appoint a proxy shall be issued by the Company.
32. If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
33. The chair of the company shall (if present and willing to act as chairperson)

preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.

34. The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
35. Every member shall have one vote, which (whether on a show of hands or on a secret ballot) must be given personally or by proxy. A member who is not an individual shall vote through their duly authorised representatives.
36. A resolution may be decided by postal ballot if so decided by the Board.
37. If there is an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
38. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two members present in person at the meeting); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
39. If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

#### **Maximum number of directors**

40. The maximum number of directors shall be 12 and the minimum number shall be 5.

#### **Eligibility and Maximum period in office for directors**

41. A person shall not be eligible for election at the AGM or an EGM as a director unless he/she is a member of the company.
42. A director shall be entitled to hold office for three years but shall then be eligible for re-election for two further periods of three years.
43. The maximum period a director shall serve shall generally be nine years. In exceptional circumstances the directors can agree to a further period as a director being served.
44. The directors may at any time appoint any person to be a director (subject to

article 40). The maximum number of directors appointed under this article shall at any time not exceed 4.

#### **Termination of office**

45. The normal retirement age for directors shall be 75 unless otherwise agreed by the directors.
46. A director may resign by notice to the Company.
47. A director shall be required to vacate office if he/she is absent for more than three consecutive meetings of the director, without justification or proper explanation.
48. A director shall also automatically vacate office if:-
  - (a) he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director
  - (b) he/she becomes debarred under any statutory provision from being involved in the management or control of a charity
  - (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months
  - (d) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office
  - (e) he/she is removed from office by resolution of the directors.

#### **Register of directors/Directors interests**

49. The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and specifying the date on which any person ceased to hold office as a director and containing details of directors interests.

#### **Office bearers/Patron**

50. The directors shall appoint a Chair and a Company Secretary.
51. The directors may appoint a Vice Chair, Treasurer and such other office bearers (if any) as they consider appropriate.
52. A director elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

### **Powers of directors**

- 53. Subject to the provisions of the Act, the memorandum of association and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.
- 54. A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Personal interests**

- 55. A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 66) from voting on the question of whether or not the company should enter into that arrangement.
- 56. For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of the Companies Acts), has a personal interest in that arrangement.
- 57. Provided he/she has declared his/her interest - and has not voted on the question of whether or not the company should enter into the relevant arrangement - a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 57) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 58. The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

### **Procedure at directors' meetings**

- 59. Board meetings will be held on a regular basis. Any two directors may call a meeting of the directors or request the secretary to call a meeting of the directors.

60. Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
61. No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be 4.
62. If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
63. Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
64. The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
65. A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company. Directors will be asked to declare any relevant interest at board meetings.
66. For the purposes of article 66, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
67. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
68. The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 65 to 68.

#### **Delegation to sub-committees**

69. The directors may delegate any of their powers to any sub-committee consisting of two or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
70. Any delegation of powers under article 70 may be made subject to such conditions as the directors may impose and may be revoked or altered.
71. The rules of procedure for any sub-committee shall be as prescribed by the directors.

#### **Operation of bank accounts**

72. The signatures of two authorised representatives of the Company (who need not be directors of the Company) shall be required in relation to all operations (other than lodgement of funds) on the bank, building society or other financial institution accounts held by the company.

#### **Secretary**

73. The company secretary shall be appointed by the directors for such term, at such remuneration (if any), and upon such conditions, as they may think fit. The company secretary may be removed by them at any time. The company secretary need not be a director of the Company and may be an employee of the Company.

#### **Minutes**

74. The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

#### **Accounting records and annual accounts**

75. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements for both companies and charities.
76. The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
77. No member shall (unless he/she is a director) have any right of inspecting any

accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

### **Notices**

78. Any notice which requires to be given to a member under these articles shall be given either in writing or by way of an electronic communication; such a notice may be given personally to the member or be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company or (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by way of an electronic communication.
79. Any notice, if sent by post, shall be deemed to have been given at the expiry of 48 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to establish that the envelope containing the notice was properly addressed and posted.
80. Any notice contained in an electronic communication shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any electronic communication was sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

### **Winding-up**

81. The members of the Company may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied in any of the following ways:
- (a) directly for the objects of the Company; or
  - (b) by transfer to any charity or charities for purposes similar to the objects of the Company; or
  - (c) to any charity or charities for use for particular purposes that fall within the objects of the Company.
82. In no circumstances shall the net assets of the Company be paid to or distributed among the members of the Company and if no resolution in

accordance with article 82 is passed the net assets of the charity shall be applied for charitable purposes as directed by the Office of the Scottish Charity Regulator.

### **Indemnity**

83. Every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted or any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
84. The indemnity contained in article 84 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a director may otherwise be entitled.

### **Interpretation**

85. In these articles
- “the Act” means the Companies Act 2006;
- any reference in these articles to a provision of the Act shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time;
- “electronic communication” has the same meaning as is assigned to that expression in the Electronic Communications Act 2000.
- “person” means any individual, organisation or body including any authorised representative of any organisation or body.
86. Reference in these articles to the singular shall be deemed to include the plural.