

## **COMPANIES ACT 2006**

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

#### **ARTICLES OF ASSOCIATION OF FIVE RIVERS COHOUSING COMPANY LIMITED**

##### **INTERPRETATION**

1.0 In these Articles:

- 1.1 "The Act" means the Companies Act 2006 and any subsequent amendment or re-enactment from time to time in force.
- 1.2 "The Company" means the above-named company.
- 1.3 "Secretary" means any person appointed to perform the duties of the Secretary of the Company.
- 1.4 "The Management Committee" means all those persons for the time being appointed to perform the duties of directors of the Company.
- 1.5 "The Seal" means the common seal (if any) of the Company.
- 1.6 "In writing" shall be taken to include references to printing, photocopying and other modes of representing or reproducing words in a visible form. 1.7 Words importing the singular number shall include the plural and vice versa unless a contrary intention appears.
- 1.7 Words importing persons shall include bodies corporate and associations if not inconsistent with the context. Unless the context requires otherwise, words or expressions contained in these Articles shall have the same meaning as in the Act

##### **REGISTERED OFFICE**

2.0 The registered office of the Company will be situated in England.

##### **OBJECTS AND POWERS**

3.0 The objects for which the Company is established are:

- (A) to acquire and provide land, housing and communal facilities for the benefit of the Company's members through the sale of individual freehold or leasehold dwelling units (including shared ownership leasehold units), the rental of individual dwelling units, and the maintenance and management of common areas and facilities.
- (B) To promote and disseminate the principles and practice of co-housing to the general public;
- (C) To promote and disseminate the principles and practice of environmentally sustainable building and living to the general public.

## POWERS

- 3.1 In carrying out its objects the Company shall have the following powers:
- 3.1.1 To carry on any other trade or business whatsoever which can, in the opinion of the Company, be advantageously carried on by the Company in connection with or ancillary to any of the general business of the Company or is calculated directly to benefit the company or enhance the value of or render profitable any of the Company's property or rights or is required by any customers of or persons dealing with the Company.
  - 3.1.2 To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings easements, rights, privileges, concessions, patent rights, licenses, secret processes, property of any kind necessary or convenient for the purpose of or in connection with the Company's business.
  - 3.1.3 To erect, construct, lay down, enlarge, alter and maintain any shops, stores, factories, buildings, works, ways, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
  - 3.1.4 To borrow or raise or secure the payment of money for the purpose of or in connection with the Company's business, and for the purpose of and in connection with the borrowing or raising of money by the Company to become a member of any building society.
  - 3.1.5 To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and to issue at part or at a premium or discount, and for such consideration as may be thought fit, debentures and debenture stock, either permanent or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
  - 3.1.6 To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose business or undertaking the Company is interested, whether directly or indirectly
  - 3.1.7 To receive money on deposit or loan upon such terms as the Company lay approve and to guarantee the obligations and contracts of customers and other
  - 3.1.8 To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
  - 3.1.9 To invest and deal with the monies of the Company not immediately required for the purpose of its business in or upon such investments or securities and in such manner as may from time to time be determined

- 3.1.10 To accept payment of any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, payment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgage or other securities of any company or corporation, or parity in one mode and partly in another, and generally on such terms as the Company may determine, and so hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.
- 3.1.11 To enter into any partnership or joint-purse arrangement or arrangement of sharing profits, union of interest or co-operation or amalgamate with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company, and to acquire and hold, sell, deal with or dispose of shares, stock, or securities of any such company, and to guarantee the contracts or liabilities of, or payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.
- 3.1.12 To establish or promote or concur in establishing or promoting any company the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of the Company, and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- 3.1.13 To make any donations for social or charitable purposes either in cash or assets which the Company may deem expedient.
- 3.1.14 To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on.
- 3.1.15 To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licenses, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for Such consideration as the Company may think fit.
- 3.1.16 To obtain, acquire and purchase all necessary permits, licences or trade marks required for the purpose of enabling the Company to carry on its said business upon such terms and conditions as it may think fit.

PROVIDED THAT:

- 3.2 In carrying out its objects and exercising its powers the Company shall promote equality of opportunity for all sections of the community, in its own affairs and in society generally;
- 3.3 It is hereby declared that the objects and powers as specified in this Article 3 shall, except where otherwise expressed in such Article, be independent main objects or powers and shall be in no wise limited or restricted by reference to or inference from the terms of any other Article or the name of the Company;

- 3.4 In accordance with common ownership and co-operative principles the rate of return paid on capital utilised by the Company shall be limited to the minimum necessary to attract and retain such capital.

## **MEMBERS' LIMITED LIABILITY AND GUARANTEE**

- 4.0 The liability of the members is limited.
- 5.0 Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while s/he is a member or within one year after s/he ceases to be a member, for payment of the debts and liabilities of the Company contracted before s/he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding one pound.

## **DISSOLUTION**

- 6.0 In the event of winding up or dissolution the Liquidator shall first, according to law, use the assets of the Company to satisfy its debts and liabilities, including the repayment of members' capital contributions enhanced by index-linking or other equitable formula limiting the return on capital as may be agreed by the Company. Provided that:
- 6.1 Any balance of assets remaining shall not be distributed amongst the members but shall be transferred by the liquidator to some other common ownership, charitable or non-profit organisation(s) which prohibit(s) the distribution of its or their income and property to an extent at least as great as is imposed on the Company by these Articles as may be decided upon by the Company in General Meeting at or prior to the time of winding up or dissolution.

## **MEMBERS**

- 7.0 The first Members of the Company shall be the subscribers to the Memorandum of Association. Until such time as the Company is in possession of property, which is ready and available for occupation, the Management Committee may at its discretion admit as Members prospective residents of the Company's property.
- 8.0 From the time that the Company is in possession of property which is ready and available for occupation, the Membership of the Company shall be made up as follows, and any person no longer qualifying for Membership shall cease to be a Member:
- 8.1 Persons holding a lease for property owned by the Company or who have signed either an agreement to hold a lease for property owned by the Company or an agreement to rent for more than one year a property owned by the Company shall be admitted as Full Members;
- 8.2 persons not entitled to Full Membership as in 8.1 but being resident in property owned by the Company shall be admitted as Associate Members;
- 8.3 persons who are prospective residents of property owned by the Company may at the discretion of the Management Committee be admitted as Associate Members;
- 8.4 persons who are users of the Company's communal facilities may at the discretion of the Management Committee be admitted as Associate Members.
- 9.0 No person may be nominated to Membership of the Company who is under sixteen years of age
- 10.0 Both Full and Associate Members shall be entitled to receive notice of, attend and speak at all General Meetings of the Company.

## **REGISTER OF MEMBERS**

- 11.0 The Company shall maintain a Register of Members in which shall be recorded the name and address of every Member, and the dates on which they became a Member and on which they ceased to be a Member. Every Member shall either sign a written consent to become a Member or sign the Register of Members on becoming a Member. All Members shall be entitled to receive a copy of the Memorandum & Articles of Association of the Company on request and at no charge.

## **CESSATION OF MEMBERSHIP**

- 12.0 The rights and privileges of a Member shall not be transferable, nor transmissible, and all such rights and privileges shall cease upon the Member ceasing to be such.
- 13.0 A Member shall cease to be a Member immediately that s/he:
- 13.1 resigns in writing to the Secretary; or
  - 13.2 ceases to meet any of the qualifications for Membership specified in Articles 8.0 or 9.0 above; or
  - 13.3 dies; or
  - 13.4 is guilty of such conduct as in the opinion of the General Meeting of the Company shall be at variance with the objects of the Company, be prejudicial to its interests, or be in breach of the Company's Rules and Bye-laws - in which case s/he can be expelled from the Membership by a General Meeting of the Company by a vote of not less than 66% [sixty six per cent] of the Membership, provided that any Member whose expulsion is to be considered shall have the right to make a representation to the meeting at which the question is to be decided and that the notices calling the meeting specify that the question of such expulsion is to be raised.

## **GENERAL MEETINGS**

- 14.0 Unless it has passed an Elective Resolution to the contrary, the Company shall in each calendar year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it. Every Annual General Meeting except the first shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting; the first Annual General Meeting shall be held within eighteen months of incorporation.
- 15.0 The business of an Annual General Meeting shall comprise:
- 15.1 the consideration of the Report and Accounts presented by the Management Committee;
  - 15.2 the appointment and the fixing of the remuneration of the auditor or auditors;
  - 15.3 such other business as may have been specified in the notices calling the meeting.

- 16.0 All General Meetings other than the Annual General Meeting shall be called, in these Articles, Extraordinary General Meetings.
- 17.0 The Management Committee may whenever they think fit convene an Extraordinary General Meeting and any General Meeting shall be convened at the request of any Member of the Company, as provided by sections 303 to 305 of the Act.
- 18.0 Decisions at General Meetings shall be made by passing resolutions:
- 18.1 Decisions involving an alteration to the Articles of Association of the Company, to wind up the Company, and other decisions so required from time to time by statute shall be made by a Special Resolution. A Special Resolution shall require a majority of not less than 75% [seventy-five per cent] of votes cast at a General Meeting.
- 18.2 Decisions to dispense with the holding of Annual General Meetings, to dispense with the laying of accounts and reports before General Meetings, and/or to dispense with the appointment of auditors annually shall be made by an Elective Resolution. An Elective Resolution is defined as one passed by a unanimous vote of all those entitled to attend and vote at a General Meeting. An Elective Resolution once passed may subsequently be revoked by an Ordinary Resolution.
- 18.3 Decisions required by statute to be made by Ordinary Resolution shall require a simple majority of votes cast at a General Meeting.
- 18.4 Decisions not governed by statute shall be made as follows:
- 18.4.1 first, the General Meeting shall endeavour to arrive at a decision by consensus, by which is meant that all those present and entitled to vote (in person or by proxy) are in agreement with a proposal or agree not to maintain an objection to it;
- 18.4.2 if consensus cannot be achieved, the question shall be deferred to the next General Meeting of the Company (which may be called specifically for this purpose) at which again a decision by consensus shall be sought;
- 18.4.3 finally, if no consensus can be achieved the matter shall be put to the vote of all Members of the Company present and eligible to vote (in person or by proxy) and the question shall be decided by a simple majority;
- 18.4.4 in the event of a decision being required to be made urgently due to circumstances outside the company's control the General Meeting can decide to suspend procedures 18.4.1 to 18.4.3 to be decided by simple majority.

## NOTICES

- 19.0 All General Meetings shall be called by at least fourteen clear days notice unless 90% of the persons entitled to attend and vote at a General Meeting agree to the calling of a general meeting with shorter notice.
- 20.0 Notice of every General Meeting shall be given in writing to every Member of the Company and to the auditors and to such other persons who are entitled to receive notice and shall be given personally or sent by post or by electronic means to each Member at the address or email address recorded in the Register of Members and to other persons at their Registered Office.
- 21.0 Notice of all meetings shall be given exclusive of the day on which it is served and shall specify the exact time and place of the meeting.
- 22.0 In the case of a General Meeting which is to consider a Special or an Elective Resolution, such resolution shall be specified in the notices calling that meeting and in the case of all other General Meetings the general nature of the business to be raised shall be specified.
- 23.0 Where notice is sent by post, notice shall be deemed to have been served by properly addressing, prepaying and posting the notice and to have been served forty-eight hours after the notice has been posted. Where a notice is sent by fax or by electronic means, it shall be deemed to have been served twenty-four hours after having been sent.
- 24.0 Provided that:
- 24.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 24.2 Subject to the Articles, any notice or document to be sent or supplied to a Management Committee member in connection with the taking of decisions by the Management Committee may also be sent or supplied by the means by which that Management Committee member has asked to be sent or supplied with such notices or documents for the time being.
- 24.3 The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.



## PROCEEDINGS AT GENERAL MEETINGS

- 25.0 Full members shall be entitled to one vote each. Associate members shall not be entitled to vote, but shall be entitled to receive notice of, attend and speak at all General Meetings of the Company.
- 26.0 On any question to be decided by secret ballot, votes may be cast by members present in person or by proxy.
- 27.0 Any Member of the Company may act as proxy for another Member who is absent from the meeting provided that any person claiming to act as proxy for any Member shall produce written authorisation signed by the absent Member in question to act as proxy on her/his behalf. A proxy may be instructed by the Member for whom s/he is acting to vote this way or that on a particular resolution, or may be authorised to vote in accordance with her/his own judgement.
- 28.0 No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided in these Articles the lesser of 5 [five] or 50% [fifty per cent] of the Members present in person or by proxy (or, being a corporate member, by representative) shall be a quorum.
- 29.0 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned until the same day in the next week at the same time and same place or otherwise as the Management Committee may direct. All Members shall be given such notice as is practicable of such an adjourned meeting and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum, subject to an absolute minimum of two Members present.
- 30.0 At every General Meeting the Chairperson (if there is one) shall preside, but in the event of her/his absence of there being no Chairperson the Members present shall choose one of their number to be Chairperson of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
- 31.0 The Chairperson may with the consent of any 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 thirty 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 adjourned meeting or of the business to be transacted.
- 32.0 At any General Meeting (and the meeting having, where relevant, previously followed the procedures contained in Article 18.4 above), a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present in person or by proxy. A secret ballot may not be demanded on any question concerning the selection of a Chairperson for a meeting or on any question of adjournment.

- 33.0 Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolutions.
- 34.0 If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that each member shall have only one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
- 35.0 The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a secret ballot may be withdrawn.
- 36.0 In the case of an equality of votes on a question to be decided by majority rather than consensus, whether on a show of hands or on a ballot, the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be considered as lost.
- 37.0 A written resolution sent to all members and signed by the requisite majority of all those entitled to vote at a general meeting is as valid as a resolution actually passed at a general meeting. Ordinary written resolutions must be signed by a simple majority of voting members and special resolutions by at least 75% of voting members. Organisational members must sign a written resolution through a representative. A written resolution may be circulated in more than one copy. Each written resolution (or copy) must be accompanied by a statement explaining how it should be signed and specifying the date by which it must be passed. A copy of the resolution and statement must also be sent to the Company's auditors or independent examiners. It will be treated as passed on the date specified, provided that the resolution (including all copies) and containing all the required signatures has been returned to the Company's registered office within 28 days of its first being circulated.
- 38.0 The Company may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

## **MANAGEMENT COMMITTEE**

- 39.0 The number of members of the Management Committee shall not be less than 3 (Three) nor more than 12 (Twelve).
- 40.0 A member of the Management Committee shall be required to be a member of the Company and must be not disqualified by law from acting as a company director.
- 41.0 The first members of the Management Committee shall be the subscribers to the Memorandum of Association who shall serve for a period expiring at the end of the first Annual General Meeting of the Company
- 42.0 The vacancies arising on the expiration of the aforesaid first terms of office of the members of the Management Committee referred to in Article 39.0 above, shall be filled by election by the members of the Company at the first Annual General Meeting. 50% of the persons so elected shall each serve for a period expiring at the end of the second Annual General Meeting after their election; the other 50% so elected shall each serve for a period expiring at the end of the first Annual General Meeting after their election. The procedure shall thereafter apply that all elections to fill the subsequent rotational vacancies shall be on the basis that each person so elected shall serve for a period expiring at the end of the second Annual General Meeting after their election.
- 43.0 Members of the Management Committee retiring pursuant to any of the provisions in these Articles shall be eligible for re-election or re-appointment
- 44.0 If no eligible and willing person is available at the time of any Annual General Meeting to fill any vacancy on the Management Committee or if any vacancy arises between Annual General Meetings the Management Committee may itself fill such vacancy to serve until the end of the next Annual General Meeting when an election shall be held to fill the vacancy for the balance of the respective term of office.
- 45.0 A Management Committee member shall declare an interest in and shall not vote in respect of any contract in which s/he has a personal financial or material interest, either directly or indirectly, other than one which is shared with a majority of Management Committee members.
- 46.0 Any Full or Associate Member of the Company and any member of the Management Committee may be paid;
- 46.1 all reasonable fees or wages for any service actually rendered to the Company if requested so to act by the Management Committee
- 46.2 all reasonable out-of-pocket expenses incurred by her/him in connection with the business of the Company.
- 47.0 The office of a Management Committee member shall be immediately vacated if s/he ceases to be a Member of the Company for any reason whatsoever under the provisions of Article 13.0.

## **POWERS AND DUTIES OF THE MANAGEMENT COMMITTEE**

- 48.0 The affairs of the Company shall be managed by the Management Committee who may pay all expenses of the formation of the Company as they think fit, and may exercise all such powers of the Company as may be exercised and done by the Company and as are not by statute or by these Articles required to be exercised or done by the Company, in General Meeting.
- 49.0 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Management Committee shall from time to time decide.
- 50.0 Without prejudice to its general powers, the Management Committee may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part of them and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **PROCEEDINGS OF THE MANAGEMENT COMMITTEE**

- 51.0 The Management Committee may elect from their own number such honorary officers; including a Chairperson, as they may think fit. Any officer so appointed by the Management Committee may be removed by them.
- 52.0 Members of the Management Committee may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit.
- 53.0 Questions arising at any meetings shall be decided in accordance with the procedures detailed in Article 18.4 above, with the words "Management Committee meeting" be substituted for "General Meeting" throughout.
- 54.0 In the case of an equality of votes on any question to be decided by majority rather than consensus, the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be considered to be lost.
- 55.0 The Secretary on the requisition of any Management Committee member shall summon a meeting of the Management Committee by giving reasonable notice to all Management Committee members. It shall not be necessary to give notice of a meeting of the Management Committee to any of its members for the time being absent from the United Kingdom unless s/he has notified the Secretary of an address for the serving of notices.
- 56.0 The quorum necessary for the transaction of the business of the Management Committee shall be three.
- 57.0 At every Management Committee meeting the Chairperson (if there is one) shall preside, but if s/he is not present or if there is no Chairperson, the Management Committee members present shall choose one of their number to be Chairperson of the meeting, whose function shall be to conduct the business of the meeting in an orderly manner.

58.0 The Management Committee shall cause accurate records to be made, in books provided for that purpose, of:

58.1 the name, details, and date of appointment of all persons appointed to office;

58.2 the names of the Management Committee members, officers, Members and other persons present at all General, Management Committee and Sub-Committee meetings of the Company; C) minutes of all proceedings and resolutions at all General, Management Committee and Sub-Committee meetings of the Company;

58.3 all applications of the Seal to any document.

59.0 All such records and minutes shall be open to inspection during normal working hours by any member of the Management Committee.

60.0 The Management Committee may delegate any of their powers to Sub-Committees consisting of such members of their body and others as they think fit. Any Sub-Committee so formed shall in the exercise of the powers so delegated conform to any regulations imposed on it by the Management Committee.

61.0 All acts done by any meeting of the Management Committee or by any person acting as a member of the Management Committee shall, even if it be afterwards discovered that there was some defect in the appointment of any Management Committee member or person acting as such, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Management Committee member.

62.0 A resolution in writing, signed by all the Management Committee members who for the time being are entitled to vote, shall be valid and effective as if it had been passed at a meeting of the Management Committee, and may consist of several documents in the same form each signed by one or more Management Committee members.

63.0 The Management Committee may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

## **SECRETARY**

64.0 The Management Committee may at its discretion appoint a Secretary of the Company for such term at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by them.

65.0 A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Management Committee member and the Secretary shall not be satisfied by its being done by or to the same person acting in both capacities.

## **THE SEAL**

66.0 If the Company has a Seal, it shall only be used by the authority of the Management Committee and every instrument to which the Seal shall be applied shall be signed by a Management Committee member and shall be countersigned by the Secretary or by a second Management Committee member. Every such application of the Seal shall be minuted.

## **ACCOUNTS**

67.0 The Management Committee shall cause proper accounts to be kept in accordance with the law for the time being in force with respect to:

67.1 all sums of money received and expended by the Company and the matters in which the receipt and expenditure takes place;

67.2 all sales and purchases of goods by the Company;

67.3 the assets and liabilities of the Company.

68.0 Proper accounts shall be deemed to be kept if they give a true and fair record of the state of the Company's affairs and explain its transactions.

69.0 The accounts shall be kept at the Registered Office of the Company or, subject to section 388 of the Act, at such other place or places as the Management Committee thinks fit, and shall always be open to the inspection of all Members.

70.0 The Management Committee shall from time to time, in accordance with Part 15 of the Act, cause to be prepared and to be laid before the Company in General Meeting such income and expenditure accounts, balance sheets, and any reports referred to in those sections.

71.0 A copy of every balance sheet (including every document required by law to be annexed thereto) which is laid before the Company in General Meeting, together with a copy of the auditor's report and Management Committee's report shall not less than twenty-one days before the date of the meeting, subject nevertheless to the provisions of section 423 of the Act, be sent to every Member of and every holder of debentures of the Company; provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any debentures. The auditor's report shall be open to inspection and shall be read before the meeting.

## **AUDIT**

- 72.0 Subject to such statutory regulations and exemptions as may be in force, once at least in every year the accounts of the Company shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified auditor(s) or independent examiner(s).
- 73.0 Auditors or independent examiners shall be appointed and their duties regulated in accordance with Part 16 of the Act.

## **APPLICATION OF SURPLUS**

- 74.0 The Company shall not trade for profit. Any surplus of the Company shall be applied to creating a general reserve for the continuation and development of the Company.

## **INDEMNITY**

- 75.0 Subject to sections 232 to 239 of the Act, every Member or auditor or officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities incurred by him/her in or about the execution and discharge of the duties of his/her office, except to the extent that such losses or liabilities shall be attributed to either:
- 75.1 fraud or other matters in respect of which such person concerned shall be convicted of a criminal offence; or
  - 75.2 negligence; or
  - 75.3 actions knowingly beyond the scope of a specific authority or limit thereon on the part of such person.