

Articles of Association of

# Clifton Playgroup Ltd

*A Company Limited by Guarantee & not having a share capital*

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## **Definitions**

1. *Words and expressions used in these articles shall have the meanings ascribed to them in article 77.*

## **Name**

2. The name of the Company is “Clifton Playgroup Ltd”.

## **Objects**

3. The objects of the Company (“the Objects”) are to enhance the development and education of children primarily under statutory school age by encouraging parents to understand and provide for the needs of their children through community groups and by:-
  - (a) Offering appropriate play, education and care facilities and training courses, together with the right of parents to take responsibility for and to become involved in the activities of such groups, ensuring that such groups offer opportunities for all children whatever their race, culture, religion, means or ability;
  - (b) Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs.

## **Not-for-profit status**

4. The income and property of the Company shall be applied solely towards the promotion of its objects set out in this document, and no portion shall be transferred directly or indirectly by way of dividend, bonus, or otherwise whatsoever by way of profit to the Directors or Members of the Company.
5. If upon the winding up or dissolution of the Company there remains - after the satisfaction of its debts and liabilities - any property, the same shall be given or transferred to some other body or bodies established for exclusively charitable purposes having objects the same or similar to the objects of the Company (which may include local groups and organisations) and whose governing instrument prohibits the distribution of income and property and income to an extent at least as great as those imposed by these Articles at Article 6 or in such other manner that the Charity Commission shall approve in writing in advance.

## **Benefits to Members and Directors**

6. The income and property of the Company shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the Company and no Director shall be appointed to

any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or monies worth from the Company save that:-

- 6.1. A Member who is a Director may be a paid employee of the Company provided that:
  - 6.1.1. No Director may be paid for services provided to the Company that form part of their duties as a Director and trustee of the Company;
  - 6.1.2. Any services which are provided by a Member to the Company must be subject of a written agreement between the individual and the Company on such terms as are considered by the Board of Directors to be in the interests of the Company and have been approved by a resolution of the Board;
  - 6.1.3. The amount of remuneration for such services is what is reasonable in the circumstances and does not exceed the amount that is customarily paid by the Company to other persons who are not Directors for such services;
  - 6.1.4. Not more than a minority of Directors may at any time be the subject of such arrangements with the Company and no such Directors shall vote on or sit in any Board meeting at which any matters concerning any such agreement relating to the provision of their services to the Company is considered by the Board.
- 6.2. Members (including Directors) may be paid interest at a reasonable rate on money lent to the Company;
- 6.3. Members (including Directors) may be paid a reasonable rent or hiring fee for property lent or hired to the Company;
- 6.4. Members (who are not Directors) but who are beneficiaries may receive charitable benefits in that capacity;
7. A Director may not receive any payment of money or other material benefit (whether directly or indirectly) from the Company except:-
  - 7.1. As mentioned in clauses 6.2 or 6.3;
  - 7.2. Reimbursement of reasonable out of pocket expenses incurred in the proper performance of their duties;
  - 7.3. An indemnity in respect of any liabilities properly incurred in running the Company (including the cost of a successful defence to criminal proceedings);
  - 7.4. Payment to any company in which a Director has no more than a 1% shareholding;
8. Whenever a Director has a personal interest in a matter to be discussed at a meeting of the Board or a sub-committee of the Board, the Director concerned must:-
  - 8.1. Declare their interest in writing at or before the discussion begins on the matter;
  - 8.2. Withdraw from the meeting during consideration of that item unless expressly invited to remain in order to provide information;
  - 8.3. Not to be counted in the quorum for that part of the meeting;
  - 8.4. Withdraw during the vote and have no vote on the matter.

### **Members' limited liability**

9. The liability of the Members is limited.
10. Every Member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the time they are a Member, or within one year afterwards, for

the payments of the debts and liabilities of the Company contracted before the time at which they ceased to be a Member and of the costs, charges and expenses of winding up the same, and for the adjustments of the rights of the contributors among themselves, such amount as may be required not exceeding one pound sterling.

### **Equality of opportunity**

11. In carrying out its objects, the Company shall seek to ensure equality of opportunity for all sections of the community in its own affairs and in society generally.

### **Board of Directors**

12. The Company shall have a Board of Directors comprising not less than four and not more than eight people of which a minimum of two directors should be parents of children attending the setting.
13. The initial Directors shall be appointed by the subscribers to the Articles. Subsequently, Directors shall be elected by and from the Membership at (or prior to) the Annual General Meeting.
14. Each Director shall serve a term of two years, after which they are eligible for re-election. The election of Directors shall be conducted in accordance with procedures that may be established and amended from time to time by the Directors. Directors may be elected at the Annual General Meeting by the Members present, or prior to the Annual General Meeting by a ballot of the Members.
15. If the Directors believe it would benefit the company or the number of Directors is less than the minimum prescribed in these articles, the Directors may co-opt other people to serve on the Board of Directors, provided that at no time shall more than one-third of the Directors comprise co-opted people.
16. Under no circumstances shall any of the following serve as Directors:
  - 16.1. persons aged under eighteen years;
  - 16.2. persons who are disqualified by law from serving as a Company Director;
  - 16.3. persons who receive an unsatisfactory C.R.B. check or equivalent or who are on the Sex Offenders register;
  - 16.4. persons who have an unspent conviction involving dishonesty or deception;
  - 16.5. persons who are an undischarged bankrupt or is in breach of any county court order.
17. The office of a Director shall be immediately vacated if s/he:
  - 17.1. resigns her/his office in writing to the Board of Directors; or
  - 17.2. fails to attend three consecutive Directors' meetings without good reason, and the remaining Directors decide that s/he shall vacate office by reason of such absence; or
  - 17.3. in the opinion of a majority of the Directors, fails to declare her/his interest in any contract; or
  - 17.4. becomes bankrupt or who are otherwise disqualified by law from serving as Company Directors; or
  - 17.5. that person is convicted of an offence involving dishonesty or deception; or
  - 17.6. in the opinion of a majority of the Directors, fails to comply with the general duties of a Director as contained in sections 171-177 of the Act; and is removed from office by resolution of the Company in a General Meeting in accordance with sections 168 and 169 of the Act.

## **Honorary Officers**

18. The Company shall have a Chairperson and such other officers as the Directors decide. Honorary officers shall be elected by the Directors from amongst their own number at a Directors' meeting.
19. In the event of a casual vacancy occurring in any officer post, the Directors may appoint one of the Board at the next meeting.

## **Powers and Duties of the Board of Directors**

20. The business of the Company shall be managed by the Directors as they decide within accordance of these articles.
21. A Director of the Company has by law to comply with the sections 171-177 of the Act, to:
  - 21.1. act within their powers, promote the success of the Company;
  - 21.2. exercise independent judgement, exercise reasonable care, skill and diligence;
  - 21.3. not accept benefits from third parties, avoid conflicts of interest;
  - 21.4. declare an interest in a proposed transaction or arrangement.
22. A person who ceases to be a Director continues to be subject to:
  - (a) the duty in section 175 of the Act (duty to avoid conflicts of interest) as regards the exploitation of any property, information or opportunity of which they became aware at a time when they were a Director; and
  - (b) the duty in section 176 of the Act (duty not to accept benefits from third parties) as regards things done or omitted by them before they ceased to be a Director.
23. All receipts for moneys paid to the Company shall be executed in such manner as the Directors shall from time to time direct, provided that all instruments of expenditure must be signed by at least two Directors.
24. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, subject to such consents as may be required by law.
25. If the number of Directors is less than three, the remaining Directors may only act for the purposes of increasing their number.

## **Sub-Committees**

26. The Directors may delegate any of their powers to Sub-Committees consisting of such members of their body and/or the Company as they think fit. Any Sub-Committee formed shall conform to any regulations imposed on it by the Directors.

## **Proceedings of the Board of Directors**

27. The quorum necessary for the transaction of the business of the Board of Directors shall be three Directors.
28. Directors may meet together for the despatch of business and may adjourn and otherwise regulate their meetings as they think fit.
29. The Chairperson, on the requisition of two or more Directors, shall summon a meeting of the Directors by giving reasonable notice to all their number.
30. Notice of any Directors' meeting must indicate:

- (a) Its proposed date and time, where it is to take place; and
  - (b) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
31. Notice of a Directors' meeting must be given to each Director, but need not be in writing.
32. At every meeting of the Directors the Chairperson of the Company shall preside, but if s/he is not present twenty minutes after the time appointed for the start of the meeting then the Directors present shall choose one of their number to be Chairperson of the meeting.
33. Questions arising at any meetings shall be decided by a majority of votes, each Director having one vote on each question to be decided. In the case of an equality of votes, the Chairperson of the meeting shall not have a second or casting vote and, therefore, the resolution shall be deemed to be lost.
34. A Director shall declare an interest in and shall not speak or vote in respect of any matter in which s/he has a personal material or financial interest or any matter arising from it. Recognition and approval of a Director's declaration must be agreed and the vote recorded in the minutes.
35. The Directors shall ensure accurate records to be made of:
- 35.1. the name, details and date of appointment of all persons appointed to office;
  - 35.2. the names of the Directors, representatives and other persons present at all General, Directors' and Sub-Committee meetings of the Company;
  - 35.3. minutes of all proceedings and resolutions at all General, Directors' and Sub-Committee meetings of the Company.
36. All such records and minutes shall be open to inspection at any reasonable time by any Director and by any person authorised by the Company in General Meeting. Minutes of General Meetings shall be available for inspection for a minimum of ten years.
37. All acts undertaken by the Directors or by any person acting as a Director shall, even if it be afterwards discovered that there was some defect in the appointment of this person, 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 Director.
38. A resolution in writing, signed by all the Directors for the time being entitled to vote, shall be valid and effective as if it had been passed at a meeting of the Directors, and may consist of several documents in the same form, each signed by one or more Directors.

### **General Meetings**

39. Decisions at General Meetings shall be made by passing resolutions:
- 39.1. Decisions involving an alteration to the Memorandum or Articles of the Company, or 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 is one passed by a majority of not less than seventy-five per cent of votes cast.
  - 39.2. All other decisions shall be made by Ordinary Resolution requiring a simple majority of votes cast.
40. The Company may 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 shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting.

Provided the first Annual General Meeting shall be held within eighteen months of incorporation, it need not be held in the year of incorporation nor in the following year.

41. The business of an Annual General Meeting shall comprise:
  - 41.1. the consideration of the Report and Accounts presented by the Directors;
  - 41.2. the election of Directors, or the announcement of the results of such elections if these have been conducted by ballot prior to the meeting;
  - 41.3. the fixing of annual subscriptions;
  - 41.4. the appointment and the fixing of the remuneration of the auditor or auditors;
  - 41.5. such other business as may have been specified in the notices calling the meeting.
42. All General Meetings other than the Annual General Meeting shall be called General Meetings.
43. The Directors may whenever they think fit convene a General Meeting if requested by ten per cent of the Members of the Company, as provided by section 303 of the Act.

### **Proceedings at General Meetings**

44. No business shall be transacted at a General Meeting unless a quorum is present. Unless otherwise decided by a General Meeting, three Members or twenty five per cent of the total Membership, whichever is the greater, shall be a quorum.
45. If, within thirty minutes from the time appointed for the meeting, a quorum is not present, the meeting, if requested by the Members, shall be dissolved. In any other case it shall stand adjourned until such time and place as the Directors may decide, and all Members shall be given such notice as is practicable of the adjourned meeting. The Members present at a meeting so adjourned shall constitute a quorum for that meeting only.
46. The Chairperson may with a majority vote adjourn the meeting from time to time, 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. A new notice is only required if the adjournment is for thirty days or more.
47. At every General Meeting the Chairperson of the Company shall preside, but if s/he is not present twenty minutes after the time appointed for the commencement of the meeting then the Members present shall choose one of their number to be Chairperson of that meeting.

### **Members**

48. The first Members of the Company are the founder Directors. The Directors may, at their discretion, admit to Membership individuals aged eighteen years or over, parents with children in the setting and organisations who are supportive of the objects of the Company, and who have paid or agreed to pay the annual subscription for the time being in force.
49. Each Member which is an organisation shall appoint a representative. Member organisations shall provide such confirmation of their choice of representative as may be required by the Company.

### **Register of Members**

50. The Company shall maintain a Register of Members recording the name, address and the dates on which they became and ceased to be a Member. Every Member shall either sign a written consent form or sign the Register of Members on becoming a Member; and in the case of a Member

organisation, a duly authorised officer shall sign on its behalf. A Member shall notify the Secretary in writing within seven days of a change of their name, address or contact details.

### **Cessation of Membership**

51. 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.
52. A Member shall cease to be a Member if s/he or it:
  - 52.1. resigns in writing to the Board of Directors; or
  - 52.2. fails to pay the annual subscription within three months after the date it became due; or
  - 52.3. is wound up, goes into liquidation or no longer has any links to the activities / objects of the company, if an organisation; or
  - 52.4. is expelled by the majority of Directors for conduct they feel is prejudicial to the Company.

### **Voting at General Meetings**

53. Any decision that may be made at a General Meeting of the Company may be made by written resolution, other than a decision to remove a Director or auditor before the expiry of their term of office.
54. A proposed written resolution shall be circulated to members and to the auditors in the same manner as notices for General Meetings. Members signify their approval of the resolution if they wish to vote for it, and need take no action if they wish to vote against.
55. The majorities required to pass a written resolution are as follow:
  - (a) for an ordinary resolution, approval is required from a simple majority of the Members eligible to vote.
  - (b) for a special resolution, approval is required from not less than 75% of the Members eligible to vote.
56. The document indicating a Member's approval of a written resolution may be sent to the Company as hard copy or in electronic form. A Member's agreement to a written resolution, once signified, may not be revoked.
57. A written resolution lapses if the necessary number of approvals has not been received 28 days after the first day on which copies of the resolution were circulated to Members.
58. A written resolution is passed as soon as the required majority of eligible Members have signified their agreement to it.
59. The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
60. At a General Meeting any member can appoint a proxy to act on their behalf. A proxy form must be included with the notices calling a General Meeting. The proxy form must make clear that the proxy can attend, speak and vote at the meeting, and the forms must be deposited at the registered office of the company two clear days before the date of the meeting.
61. Only one vote may be cast by or on behalf of each Member eligible to vote on any particular resolution.
62. At any General Meeting 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 the Chairperson or by at least two Members present. 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 minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportions of the votes cast in favour or against such resolution.

63. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that each Member eligible to vote 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. The demand for a secret ballot may be withdrawn.
64. No secret ballot shall be demanded on the election of a Chairperson for the meeting or on any question of adjournment.
65. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question upon which a ballot has been demanded.
66. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson of the meeting shall not have a second or casting vote and, therefore, the resolution shall be deemed to be lost.

## **Notices**

67. A General Meeting which is to consider a Special Resolution or a resolution to remove the auditor or a Director shall be called by at least fourteen clear days' notice. However, a General Meeting may be called with shorter notice if it is agreed as follows:
  - 67.1. at an Annual General Meeting, by all those entitled to attend and vote;
  - 67.2. at any other General Meeting, by at least ninety per cent of those entitled to attend and vote.
68. 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. In the case of a General Meeting which is to consider a Special Resolution or a resolution to remove a Director or the auditor, 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.
69. 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 to each Member at the address recorded in the Register of Members and to other persons at their Registered Office.
70. Notice shall be deemed to have been served:
  - (a) immediately on being handed to the Member personally; or
  - (b) twenty-four hours after being sent by electronic means to an address provided for that purpose or delivered by hand to the relevant address; or
  - (c) two clear days after being sent by post to that address; or
  - (d) by posting it on a website, where the recipient has been notified of such posting in a manner agreed by that person; or
  - (e) immediately the Member acknowledges receipt if this is sooner than is required by the above.
71. 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.



## **Secretary**

72. The Directors may appoint a Secretary of the Company upon such conditions as they think fit.

## **Accounts**

73. The Directors shall comply with the requirements of the Act and any other applicable law as to keeping financial records and the preparation and transmission to the Registrar of Companies of annual reports and accounts.

(a) The Company must send a copy of its annual accounts and reports for each financial year to:

- i. every Member of the Company, every holder of the Company's debentures, and
- ii. every person who is entitled to receive notice of General Meetings.

(b) Copies need not be sent to a person for whom the Company does not have a current address, nor to anyone who is not entitled to receive notices of General Meetings of the Company.

(c) Copies of the Company's annual accounts and reports must be sent out on or before the date on which the Company delivers its accounts and reports to the Registrar of Companies.

## **Audit**

74. Auditors shall be appointed and their duties regulated in accordance with sections 485 and 498 of the Act.

75. In accordance with the law for the time being in force the Company may - if eligible - apply the small company audit exemptions. Otherwise 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 or auditors.

## **Indemnity**

76. Every Director or auditor or officer of the Company shall be indemnified, when the judgement is given in her/his favour or in which s/he is acquitted, out of the assets of the Company against all losses or liabilities incurred by her/him in or about the execution and discharge of the duties of her/his office. Except where such losses or liabilities shall, in the opinion of the majority of Directors, cause detriment and financial hardship to the Company or is inappropriate with the objects of the Company.

## **Regulations**

77. The Company in General Meeting or the Directors may make, adopt and amend such regulations in the form of bye-laws, standing orders, secondary rules for the management, conduct and regulation of the affairs of the Company. Ensuring that such regulations are not inconsistent with the memorandum and articles, and do not amount to an alteration to said documents. All Directors and Members of the Company and the Directors shall be bound by such regulations whether or not they have received a copy.

## **Interpretations**

78. In these articles:

“The Act” means the Companies Act 2006 and those other elements of company law defined in

Section 2 of the Companies Act 2006, in so far as they apply to the Company.

“The Company” means the company to which these articles apply.

“The Articles” means these Articles of Association.

“The Board of Directors” is all those persons appointed to perform the duties of Directors of the Company.

“Clear days” in relation to a period of notice means the period excluding the day when the notice, or proxy, is given and the day on which it is to take effect.

“Employee” means anyone holding a current contract of employment with the Company.

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.

“Electronic form” has the meaning given in section 1168 of the Companies Act 2006.

“Member” has the meaning given in section 112 of the Companies Act 2006.

“Ordinary Resolution” has the meaning given in section 282 of the Companies Act 2006.

“Special Resolution” has the meaning given in section 283 of the Companies Act 2006.

“In writing” shall be taken to include references to writing, printing, photocopying and other methods of representing or reproducing words in a visible form, including electronic transmission where appropriate.

Words importing the singular number shall include the plural and vice versa unless a contrary intention appears. 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 bear the same meaning as in the Act.