

Rules of
LEEDS ACTION TO CREATE HOMES LIMITED
(Registered under the Industrial & Provident Societies Acts 1965-78)

1. NAME

The name of the Society shall be "Leeds Action To Create Homes Limited", hereinafter referred to as "the Society™".

2. OBJECTS

The objects of the society shall be the relief of persons in necessitous circumstances who are homeless or in housing need, in particular through the renovation and refurbishment of property for occupancy by such persons.

3. POWERS

The Society shall have the power to do all things necessary or expedient for the fulfilment of its objects.

4. REGISTERED OFFICE

The registered office of the Society shall be at:
176 Chapeltown Road, Chapeltown, Leeds LS7 4HP

5. PROFIT

The profits of the Society shall be applied solely towards the promotion of the Objects and do not belong to the Members.

6. SHARE CAPITAL

- a) Core Members shall hold one share only in the Society. These shares shall be fully paid prior to issue, neither Transferable nor Withdrawable, shall carry no right to interest, dividend or bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid up on such cancelled shares shall become the property of the Society. This includes the share held by all members of the society at the time of this rule being adopted.
- b) The shares of the Society shall be of the nominal value of £1. The minimum shareholding required of a Supporter Member shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.
- c) The Society may accept applications for shares in tranches which are smaller in number than the minimum shareholding, provided that any Member who does not achieve the minimum shareholding within 12

months of their first payment ceases to be a Member of the Society. Any person ceasing to become a Member under this rule shall have the value of their shares as at the date on which they ceased to become a Member returned to them and the relevant shares shall be cancelled.

- d) Applications for shares shall be made to the Board of the Society who shall allot to Members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any Member shall not exceed the maximum shareholding permitted by law. Shares shall be paid for in full on allotment.
- e) If a Member who is required to withdraw from membership under these Rules is unable to transfer their shares and the right to withdraw shares has been suspended, then the nominal value of their share capital may:
 - i) be converted into loan stock upon such terms as may be agreed between the Board and the Member, or their personal representative, trustee in bankruptcy, or Office Holder provided that such agreement shall require the repayment of the loan within a period not exceeding three years; or
 - ii) be surrendered in full to the Society at which point the Shares will be cancelled. The surrender must be made in such form as the directors require.
- f) Shares shall be Withdrawable only in accordance with the provisions of these Rules. Shares shall be non-Transferable except:
 - iii) on death or bankruptcy; or
 - iv) (in the case of an unincorporated organisation or partnership), on a change of nominee(s) and only to the new nominee(s).

Withdrawal of share capital

- g) Shares may be withdrawn by Members upon giving three months' notice to the Society (though the Board retain sole discretion to return money paid for them), provided that:
 - i) All withdrawals shall be paid in the order in which the notices were received by the Society;
 - ii) A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding, unless they intend to terminate their membership of the Society;
 - iii) The Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;
 - iv) The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board;
 - v) During any period when the right of withdrawal has been suspended under the provision immediately above, the shares of deceased Members may, if the Board agree, be withdrawn by their personal representatives upon giving such notice as the Board may require;
 - vi) The amount to be paid to a Member on withdrawal shall be the amount

paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction in their value in accordance with the provisions of these Rules;

- vii) At the discretion of the Board, interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.
- h) Any share withdrawn in accordance with these Rules shall be cancelled.
- i) Members may withdraw from the Society by withdrawing all their shares in the Society in accordance with these Rules or, if the right to withdraw has been suspended, by surrendering all their shares to the Society. Upon such surrender the Board may at their discretion pay to the withdrawing Member the amount paid up or credited on the shares surrendered.
- j) The Society may deduct such reasonable sum to cover any administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares in the Society.

Reduction in Share Values

- k) If at any time the Society's auditors (or, if the Society does not have auditors, another qualified independent accountant) certify that the Society's liabilities plus its share capital exceed its assets, the Board may resolve to redenominate to reduce the nominal value of all issued shares to 10 pence or to any multiple of 10 pence.
- l) **The Board may then further resolve that a Member's shareholding will be redenominated so that the Member's total shareholding reflects the Society's value using the new nominal value of the shares. Where such calculation will lead to a Member's shareholding comprising a fractional balance of a 10 pence share the Member's shareholding shall be rounded down to the nearest 10 pence share. Following the resolution, the original balance of the nominal value of the shares shall be cancelled and no right to interest or dividend or the balance of nominal value following cancellation shall exist.**

Lien on Shares and Right of Offset

- m) The Society shall have a lien on the shares of a Member for any debt due to it by the Member and may offset any sum standing to the Member's credit with the Society in or towards payment of such debt.

7. MEMBERSHIP

The Society shall consist of all those who sign the Application for Registration and such other persons (including the nominees of unincorporated associations), societies, companies and local authorities (being bodies corporate) which in the opinion of the Committee are making or are able to make a substantial contribution to the activities of the Society and whose application for membership has been approved by the Committee.

8. MEMBERSHIP STRUCTURE

- a) Application for membership may be made in writing to the Secretary by

any person who wishes to assist in any way in the activities of the Society and who has attained 18 years of age.

- b) All persons who are in receipt of training, or accommodation or who are employed by the Society shall be eligible for membership of the Society in a class of members known as 'Core Members'. All other persons shall be placed in a class of membership known as 'Supporter Members'. Members shall be apportioned to a particular class by the Committee, whose judgement shall be final.
- c) A member who is a nominee of an unincorporated body shall have entered against her/his name in the Register of Members the name of the unincorporated body nominating her/him.
- d) A corporate body being a member may by resolution of its governing body appoint a deputy who shall be entitled to exercise at any General Meeting of the Society all the rights and powers that the body corporate appointing her/him could exercise if it were an individual person. A copy of the resolution, signed by two members of the governing body, and in the case of a Local Authority, by the Clerk of the Council, shall be sent to the Secretary of the Society.
- e) Every application for membership shall be considered by the Committee at its first meeting after the application was received or as soon thereafter as is practicable; if the application for membership is approved, then upon the payment of £1 the applicant shall be issued with one share in the Society, and her/his name shall be entered in the Register of Members.

9. CESSATION OF MEMBERSHIP

A member shall cease to be a member if s/he or it:

- a) resigns in writing to the Secretary.
- b) is expelled by a resolution carried by three quarters of the members present in person and voting at a General Meeting of the Society of which notice has been duly given, provided that a complaint in writing of conduct detrimental to the interests of the Society has been sent to her/him by order of the Society no less than one calendar month before the meeting. Such a complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint, and to attend the meeting called under this Rule. At such meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice having been served upon the member s/he fails to attend the meeting without due cause, the meeting may proceed in her/his absence.
- c) dies.
- d) ceases, in the opinion of the Committee, to be making a substantial contribution to the activities of the Society.
- e) in the case of a nominee of an unincorporated body, transfers her/his share to another nominee.
- f) or in the case of a body corporate, ceases to be a body corporate.

10. BORROWING

- a) The Society shall have power to borrow money for the purpose of the Society in whatsoever manner it may determine provided that the amount of money borrowed shall not exceed 50% of the total value of assets held.
- b) The Society may receive from any person or body grants, donations, or loans on commercial terms and conditions towards the work of the Society. The Society shall not accept deposits.
- c) The Society shall have power to mortgage or charge any of its property, to issue loan stock, debentures and other securities, and to charge any or all of its assets as security for money borrowed.

11. GENERAL MEETINGS

- a) At the request of the Committee or of 5% of the membership of the Society, the Secretary shall call a General Meeting of the Society giving each member seven clear days' notice of the time, date and place of the meeting and the issues upon which decisions are to be taken.
- b) No business shall be contracted at any General Meeting unless twenty of the Society's members are present, or **5% of the society's membership**, whichever is the higher. If a meeting is inquorate another shall be held within seven days, and if a quorum is then not present the meeting shall be dissolved.
- c) An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which will include:
 - the receipt of the report of the Committee, including the income and expenditure account for the year and the balance sheet at the close of the financial year;
 - the appointment of an auditor;
 - the election of the Committee.

12. VOTING

- a) Every member present in person at a General Meeting shall have one vote. Questions will be decided by a majority of members present and voting other than those questions which by reason of these Rules require a higher majority vote in favour.
- b) On all resolutions and for all elected positions, core members votes shall be apportioned according to the following formula:
 - Each **Core Member's vote** is multiplied by the total number of Supporter Members who have voted on the resolution or in the election;
 - Each Supporter **Member's vote is multiplied** by the total number of Core Members who have voted on the resolution or in the election.

13. MANAGEMENT

- a) The Society shall have a Committee of not less than 7 and nor more than 15, which shall consist of all members of the Society until such time as the Society's membership shall exceed 15 at which time the Committee shall be elected by and from the membership at the Annual General Meeting

from a list of candidates approved by the Committee. Only members of the Society shall be eligible to serve on the Committee.

- b) There shall be at least 4 meetings per year of the Committee. These shall be called by the Secretary giving each member seven days clear notice of the date, time and place of the meeting and the major issues upon which decisions are to be taken. The Secretary shall also call a meeting at the request of three or more members delivered to her/him in writing.
- c) The Committee may exercise all such powers as may be exercised by the Society in General Meeting.
- d) A quorum of the Committee shall be not less than one half of the members. If a meeting is inquorate another shall be called within seven days and those who attend will be deemed to be a quorum.
- e) Questions arising at meetings of the Committee shall be decided by a majority of those present and voting.
- f) No Committee member shall vote on any matter in which s/he has a personal interest, provided that nothing herein shall prevent a Committee member who is an employee from voting on her/his terms and conditions of employment.
- g) The Committee shall appoint and may remove a Secretary who shall be under its direction and will have those functions mentioned in these Rules and any further functions as the Committee may decide.
- h) The Committee may approve standing orders in addition to these Rules provided that they do not contradict and are not inconsistent with these Rules.

14. INVESTMENT OF FUNDS

The funds of the Society may with the authority of the General Meeting be invested as follows:

- a) in or upon any security in which trustees are for the time being authorised by law to invest.
- b) in or upon any mortgage, bond debenture, debenture stock, corporation stock, rent charges, rent or other securities (not being securities payable to bearer) authorised by or under any Act of Parliament, passed or to be passed, of any Local Authority as defined by Section 34 of the Local Loans Act 1875.
- c) in the shares or on the security of any other Society registered or deemed to be registered under the Act, or under the Building Society Act or incorporated by Act of Parliament, or by Charter, provided that no such investment be made in the shares of any Society or Company other than one with limited liability. The Society may appoint any one or more of its members to vote on its behalf at meetings of any other corporate body in which the Society has invested any part of its funds.

15. AUDITORS AND ANNUAL RETURN

- a) The Society shall, in accordance with Sections 4 and 8 of the Friendly and Industrial and Provident Societies Act 1968, appoint in each year one or

more auditors to whom the accounts of the Society for that year shall be submitted for audit as required by the said Act, and who shall have such rights in relation to notice of and attendance at General Meetings, access to books and the supply of information, and otherwise, as are provided by the said Act.

- b) Every such auditor shall be appointed by the Society in a General Meeting, and in the case of any auditor so appointed who is a qualified auditor under Section 7 of the said Act (as amended by the Companies Act 1989 (Eligibility for Appointment as Company Auditor) [Consequential Amendments] Regulation 1991) the provisions of Sections 5 and 6 thereof apply to her/his reappointment and removal and to any resolution removing her/him or appointing another person in her/his place.
- c) Every year not later than March 31st, or where the Registrar has approved a financial year end other than as prescribed in the Act, not later than three months after such date, the Secretary shall send to the Registrar the annual return, in the form prescribed by the Chief Registrar of Friendly Societies, relating to its affairs for the period required by the Act to be included in the return together with:
 - a copy of the report of the auditor on the Society's accounts for the period included in the return; and
 - a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.

16. RECORDS AND SEAL

- a) The Society shall keep at its Registered Office a Register of Members in which the Secretary shall enter the following particulars:
 1. the names and addresses of the members;
 2. a statement that one share only is held by each member and that £1 has been paid, or agreed to be considered as paid, on each share;
 3. a statement of other property in the Society, whether in loans, deposits or otherwise, held by each member;
 4. the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member;
 5. the names and addresses of all Committee members, the Secretary and Treasurer of the Society, with the dates on which they assumed office and the dates on which they retired from office.

Any member changing his/her address shall notify the Society.

- (b) The Society shall have a seal kept in the custody of the Secretary and used only by the authority of the committee. Sealing shall be attested by the signature of one Committee member and that of the Secretary for the time being. The Society may also execute documents without a seal with the authority of the Committee in the same manner as with a seal of otherwise permitted by law.

17. AMENDMENTS TO RULES

- a) Subject to paragraph (c) below, any rule herein may be rescinded or

amended or a new rule made by a vote of three-quarters of the members of the Society present and voting at a General Meeting where all the members of the Society have been given seven clear days prior notice of the change to be proposed at that meeting.

- b) No amendment of rules is valid until registered by the Registrar.
- c) The objects clause (Rule 2) may only be altered with the prior approval of the Inland Revenue.
- d) No amendment shall be made which shall cause the Society to cease to be a charity in law.

18. DISSOLUTION

The Society may be dissolved by the consent of three quarters of the members by their signatures to an instrument of dissolution provided for in the Treasury Regulations, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, the assets shall not be distributed among the members, but shall, in accordance with the objects of the Society, be transferred to some other charitable Society or Societies or other like bodies having objects similar to the objects of the Society, as may be decided by the members at or before the time of the winding up or dissolution or, in so far as the assets are not so transferred, shall be held for charitable purposes.

19. DECEASED AND BANKRUPT MEMBERS

- a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Society shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the latter may direct them.
- b) A member may in accordance with the Act nominate any person or persons to whom any of his/her property in the Society at the time of his/her death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being provided in the Act. On receiving satisfactory proof of the death of a member who has made a nomination the Committee shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

20. DISPUTES

Any such dispute as is referred to in Section 60(1) of the Industrial and Provident Societies Act 1965 shall be referred to and decided by the Chief Registrar of Friendly Societies.

21. INTERPRETATION

In **these rules**, "**the Act**" refers to the Industrial & Provident Societies Acts 1965-1978 and Act or Acts amending them or in substitutions for them for the time being in force.

Society member: James Hartley;

Society Member: Randolph Morton;

Society Member: Donna Rahilly;

Society Secretary: Dan Chaplin