



GARVALD EDINBURGH

Approved at AGM October 2021

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

**ARTICLES OF ASSOCIATION
of
GARVALD EDINBURGH**

2021



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

**ARTICLES of ASSOCIATION
of
GARVALD EDINBURGH**

| CONTENTS | | |
|---|---|-----------------|
| OBJECTS, ACTIVITIES & POWERS | objects, activities, powers | articles 1 to 3 |
| GENERAL STRUCTURE | company structure | article 4 |
| MEMBERS | qualifications, application, subscription, register, withdrawal, expulsion, termination/transfer | articles 5-6 |
| GENERAL MEETINGS | meetings of members, notice, special/ordinary resolutions, procedure | articles 7-39 |
| DIRECTORS | maximum number, eligibility, election/retiral/re-election, termination of office, register, office bearers, powers, directors' declarations of interests and personal interests | articles 40-55 |
| DIRECTORS' MEETINGS | procedure | articles 56-65 |
| ADMINISTRATION | committees, operation of bank accounts, secretary, minutes, accounting records, annual accounts and notices | articles 66-76 |
| MISCELLANEOUS | winding-up, indemnity, interpretation | articles 77-82 |

OBJECTS & ACTIVITIES

Name

- 1 The name of the Company is Garvald Edinburgh.**

Object of the Company

- 1.a The objective for which the Company is established is the relief of those in need by reason of ill health, disability, by the provision of day services for adults with learning disabilities.**
- b. In furtherance of this objective the Company undertakes the following activities: -**
- b(i) manages craft workshops and studios providing diverse and creative as well as training opportunities;**
- b(ii) manages a shop offering work experience and a sales point for goods produced in the workshops as well as other products;**
- b(iii) organises exhibitions of work undertaken;**
- b(iv) owns property to accommodate adults with learning disabilities; and**
- b(v) provides a range of therapy, educational and training opportunities.**
- 2 The Company in carrying out the above object shall have and may exercise all or any of the following powers: -**
- 2.a to undertake any activities that support the Company's objective;**
- 2.b to encourage, provide, support and otherwise facilitate the work of others interested in the Company's objectives;**
- 2.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 objective;**
- 2.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;**
- 2.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;**
- 2.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;
- 2.g to borrow and raise money for the Company's objective 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;
- 2.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);
- 2.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;
- 2.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;
- 2.k to promote, arrange, organise and conduct seminars, conferences, lectures, meetings and discussions;
- 2.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;
- 2.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;
- 2.n to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or

transferable instruments;

- 2.o to establish companies whose activities may further the above objective, 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;**
- 2.p to co-operate and enter into arrangements with any authorities, national, local or otherwise;**
- 2.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**
- 2.r to do all such other things as are necessary for the attainment of the said objective.**

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 Acts.**

- 3 The income and property of the Company shall be applied solely towards the promotion of the Company's objective as set out in Article 2 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:-**

- 3.a of out-of-pocket expenses incurred in carrying out duties by any member, director, officer or employee of the Company;**
- 3.b reasonable payment in return for services rendered to the Company;**

- 3.c director/trustee indemnity insurance; and
- 3.d payment or benefits permitted in terms of the Charities and Trustee Investment (Scotland) Act 2005.

General Structure

- 4 The structure of the company consists of the directors – who hold regular meetings as the company’s Board 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 the charity’s trustees.

Registers of members

- 5 The directors are also the sole members of the company. 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.

Annual General Meetings

- 6 The directors shall convene an annual general meeting in each year.
- 7 Not more than 15 months shall elapse between one annual general meeting and the next.
- 8 The business of each annual general meeting shall include:-
 - 8.a a report by the chair on the activities of the company
 - 8.b consideration of the annual accounts of the company and trustees’ report

Notice of Annual General Meetings

- 9 At least 14 clear days’ notice must be given of an annual general meeting.
- 10 The reference to “clear days” in article 11 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.
- 11 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 16) (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.
- 12 A notice convening an annual general meeting shall specify that the

meeting is to be an annual general meeting.

- 13 Such meetings may be entirely virtual meetings or hybrid meetings as the circumstances allow.

Special resolutions and ordinary resolutions

- 14 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 10 to 14; 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 directors absent from the meeting.

- 15 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.

- 16 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 10 to 14. In determining a majority vote no account shall be taken of abstentions or directors absent from the meeting.

General meetings of the Board

Procedure at general meetings (ordinary business meeting of the Board):

- 17 No business shall be dealt with at any directors meeting unless a quorum is present; the quorum for a meeting shall be 4 persons entitled to vote, each being a director.
- 18 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.
- 19 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each 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.
- 20 The chairperson of a directors' meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 21 Meetings of the Board may be entirely virtual or hybrid as the circumstances allow and as agreed by the charity trustees. *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.
- 22 A resolution may be decided by postal ballot if so decided by the Board.
- 23 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.
- 24 A resolution put to the vote at an annual general meeting or meeting of the directors 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.
- 25 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.
- Interpretation clause**
- 26 **Virtual meeting:** a meeting of the charity trustees [Board etc] where arrangements have been made in advance to allow participants to attend the meeting by means of a conference telephone, video link or similar means of electronic communication at which all participants can be heard and can hear each other without the need for them to be physically present at the same location. A person participating in a meeting by such means shall be deemed to be attending virtually.

- 27 **Hybrid meeting: a meeting of the charity trustees [Board etc] where some participants are attending the meeting in person and others are attending virtually.**

Meetings clauses:

- 28 **A person attending a meeting virtually shall have the same rights to receive notice, speak, vote and otherwise participate in the meeting as he or she would have if attending the meeting in person. [n.b. similar provision can be made for people attending as proxies]**

Notice clause:

- 29 **Where arrangements have been made for a meeting to be held virtually or as a hybrid meeting, the notice calling the meeting shall state that fact and include details of the means by which a person may attend the meeting virtually.**

Quorum clause:

- 30 **No business shall be transacted at a meeting unless a quorum is present. The quorum shall be 4 persons present and entitled to vote upon the business of the meeting. A person shall be deemed to be present by attending either in person or virtually where arrangements for virtual attendance have been made.**

Voting clauses:

- 31 **A person entitled to vote upon the business at a meeting may do so either in person or virtually where arrangements for virtual attendance have been made.**
- 32 **Where a vote is to be taken by means of a secret ballot, any arrangements for a meeting to be held virtually or as a hybrid meeting shall include a means for those attending virtually to cast their vote secretly.**

Minutes clause:

- 33 **The minutes of a meeting shall record the names of all persons present at the meeting without distinction between those who attended in person and those who attended virtually.**

Maximum number of directors

- 34 **The maximum number of directors shall be 12 and the minimum number shall be 5.**

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

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.

36 The normal period a director shall serve shall generally be nine years. The directors can agree to extend the time an individual director serves, for further periods of up to three years at a time.

Co-options

37 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

38 A director may resign by giving notice to the Company.

39 A director shall be required to vacate office if he/she is absent for more than three consecutive meetings of the directors, without justification or proper explanation.

40 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, such as being convicted of an offence of dishonesty, 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/director's interests.

41 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

42 The directors shall appoint a Chair and a Company Secretary.

43 The directors may appoint a Vice Chair, Treasurer and such other office

bearers (if any) as they consider appropriate.

- 44 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

- 45 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.

- 46 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests of directors

- 47 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 63) from voting on the question of whether or not the company should enter into that arrangement.

- 48 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.

- 49 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 54) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

- 50 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

- 51 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.

- 52 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.
- 53 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.
- 54 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.
- 55 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.
- 56 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.
- 57 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.
- 58 For the purposes of article 57, 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.
- 59 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.
- 60 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 46 to 49.

Delegation to sub-committees

- 61 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 company Chair

(or the holder of any other post) such of their powers as they may consider appropriate.

62 Any delegation of powers under article 60 may be made subject to such conditions as the directors may impose and may be revoked or altered.

63 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

64 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

65 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

66 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

67 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements for both companies and charities.

68 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.

Notices

69 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.

70 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.

71 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

72 The directors 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:

72.a directly for the objects of the Company; or

72.b by transfer to any charity or charities for purposes similar to the object of the Company; or

72.c to any charity or charities for use for particular purposes that fall within the objects of the Company.

73 In no circumstances shall the net assets of the Company be paid to or distributed among the directors of the Company and if no resolution in accordance with article 71 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

74 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.

75 The indemnity contained in article 73 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

76 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.

77 Reference in these articles to the singular shall be deemed to include the plural.