

The Companies Act 2006

Community Interest Company Limited by Guarantee

Articles of Association

of

CRAIGENTINNY ALLOTMENT ASSOCIATION C.I.C

(CIC Limited by Guarantee, Schedule 1, Large Membership)

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of

CRAIGENTINNY ALLOTMENT ASSOCIATION C.I.C.

INTERPRETATION

1. Defined Terms

The interpretation of these Articles is governed by the provisions set out in the Schedule at end of the Articles.

NAME

2. The name of the Company shall be the Craigentenny Allotment Association.

COMMUNITY INTEREST COMPANY AND ASSET LOCK

3. Community Interest Company

The Company is to be a community interest company.

4. Asset Lock

4.1 The Company shall not transfer any of its assets other than for full consideration.

4.2 Provided the conditions in Article 4.3 are satisfied, Article 4.1 shall not apply to:

- (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and
- (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets into an asset-locked body.

4.3 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or Articles of the Company.

4.4 If:

the Company is wound up under the Insolvency Act 1986; and

all its liabilities have been satisfied

any residual assets shall be given or transferred to the asset-locked body specified in Article 4.5 below.

4.5 In the event of the dissolution of the Association being agreed, any assets of the Association remaining after settlement of all proper debts shall, subject to the approval of the Community Interest Companies Regulator, be transferred or donated to another organisation having objects similar to those of the Association or otherwise appropriate to the local community

5. **Not for profit**

The Company is not established or conducted for private gain: any surplus or assets are used for the benefit of the community.

OBJECTS, POWERS AND LIMITATION OF LIABILITY

6. **Objects**

The objects of the Company are to carry on activities which benefit the community and in particular (without limitation) to:

6.1 Represent and promote the interests of ploholders at Craigentenny Allotments, Findlay Gardens, Edinburgh, EH7 6HQ, such as to enhance their experience of allotment gardening at Craigentenny Allotment Site.

6.2 Foster good relations with residential neighbours and local statutory and non-statutory bodies.

6.3 To promote a greater understanding of allotment gardening among the local community and beyond.

7. **Powers**

To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.

8. **Membership**

There are two categories of membership: **Association Members** and **Director Members**.

9. **Association Membership**

9.1 Association Membership shall be open to ploholders as named on the missives to let issued by the City of Edinburgh Council and who have paid the current year plot rental to the Council.

9.2 Acceptance of any person into membership of the Association shall be at the discretion of the Committee. The Committee shall have the right to refuse or terminate Association Membership of any person where it believes there are reasonable grounds for doing so, provided that any person whose membership is subject to refusal or termination under this clause shall have the right to be heard by the Committee before a final decision is made.

9.3 A person may resign her or his membership of the Association at any time by giving written notice to the Committee.

10. **Rights and Votes of Association Members**

10.1 All Association Members shall have the right to receive not less than 7 (seven) days notice of general meetings (with an agenda) and to attend, speak and vote at such meetings.

10.2 Subject to the exception of Clause 11.4, all members shall have one vote, which may only be used in person at general meetings.

10.3 All Association Members aged 18 (eighteen) or over shall have the right to stand for, and hold, office as a member of the Committee (see Clause 12) and the right to nominate any other member for such a position.

11. **GENERAL MEETINGS**

11.1 The Association will hold an Annual General Meeting (AGM) in each calendar year and there will be no more than fifteen months between one AGM and the next. At the AGM, the Committee will be elected and all other business that is normally the subject of an AGM shall be conducted.

11.2 An extraordinary general meeting may be called at any time by the Committee and shall be called if the Committee receives a request to do so signed by at least 4 (four) Association Members and stating the business to be discussed.

11.3 The Chairperson shall preside over general meetings of the Association. In the absence of the Chairperson, the Committee shall choose another member of their number to preside over the meeting.

11.4 Subject to the exception of Clause 33, all business at general meetings shall be decided by a simple majority of votes, the Chairperson, or whoever is presiding over the meeting, shall have a second, casting, vote.

11.5 A person who is not a member of the Company shall not have any right to vote at a general meeting of the Company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debenture.

12. **COMMITTEE**

12.1 The Committee shall consist of the officers of Chairperson, Treasurer and Secretary nominated and elected at the Annual General Meeting.

12.2 The Treasurer and Secretary are **Director Members** and act as guarantors for the Community Interest Company which is Craigentenny Allotment Association. See also Clause 13 below.

12.3 At the first and every subsequent AGM, all members of the Committee shall retire from office but, subject to clause 12.4, shall be eligible for re-election,

- 12.4 Committee Members may serve five consecutive terms after which there must be a break of at least one year before they are eligible to be re-appointed to the Committee.
- 12.5 The Committee may appoint any member aged 18 (eighteen) or over to fill any vacancy among its number that arises between one AGM and the next.
- 12.6 A member of the Committee may resign his or her office in writing to the Committee.

13. DIRECTOR MEMBERS

Director Members are the elected Treasurer and Secretary of the Association.

13.1 Liability of Director members

The liability of each Director Member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a member or within one year after he or she ceases to be a member, for:

- 13.2 payment of the Company's debts and liabilities contracted before he or she ceases to be a member;
- 13.3 payment of the costs, charges and expenses of winding up; and
- 13.4 adjustment of the rights of the contributories among themselves.

DIRECTOR MEMBERS' POWERS AND RESPONSIBILITIES

14. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

15. Members' reserve power

- 15.1 The Association Members may, by special resolution, direct the Directors to take, or refrain from taking, specific action.
- 15.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

16. Director Members may delegate

- 16.1 Subject to the Articles, the Director Members may delegate any of the powers which are conferred on them under the Articles:

to such person or **committee**;

by such means (including by power of attorney);

to such an extent;

in relation to such matters or territories; and

on such terms and conditions;

as they think fit.

- 16.2 If the Director Members so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 16.3 The Director Members may revoke any such delegation, in whole or in part, or alter its terms and conditions.

17. Committees

- 17.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors (as set out below).
- 17.2 **For the Director Members of Craigentenny Allotment Association, delegation will normally be to the Committee, the details and operation of which, are set out in Clause 12.**
- 17.3 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

18. Directors to take decisions collectively

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 24.

19. Calling a Directors' meeting

- 19.1 Two Directors may (and the Secretary, if any, must at the request of two Directors) call a Directors' meeting.
- 19.2 A Directors' meeting must be called by at least seven Clear Days' notice unless either:
- all the Directors agree; or
- urgent circumstances require shorter notice.
- 19.3 Notice of Directors' meetings must be given to each Director.
- 19.4 Every notice calling a Directors' meeting must specify:
- the place, day and time of the meeting; and
- 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.
- 19.5 Notice of Directors' meetings need not be in Writing.

19.6 Notice of Directors' meetings may be sent by Electronic Means to an Address provided by the Director for the purpose.

20. Participation in Directors' meetings

20.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

the meeting has been called and takes place in accordance with the Articles; and

they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

20.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

20.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

21. Quorum for Directors' meetings

21.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

21.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two.

21.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

to appoint further Directors; or

to call a general meeting so as to enable the members to appoint further Directors.

22. Chairing of Directors' meetings

The Chairperson, if any, or in his or her absence another Director nominated by the Directors present shall preside as chair of each Directors' meeting.

23. Decision making at a meeting

23.1 Questions arising at a Directors' meeting shall be decided by a majority of votes.

23.2 In all proceedings of Directors each Director must not have more than one vote.

23.3 In case of an equality of votes, the Chairperson, or in his or her absence another Director nominated by the Directors present, shall have a second or casting vote.

24. Decisions without a meeting

24.1 The Directors may take a unanimous decision without a Directors' meeting by indicating to each other by any means, including without limitation by Electronic Means, that they share a common view on a matter. Such a decision may, but need not,

take the form of a resolution in Writing, copies of which have been signed by each Director or to which each Director has otherwise indicated agreement in Writing.

- 24.2 A decision which is made in accordance with Article 24 shall be as valid and effectual as if it had been passed at a meeting duly convened and held, provided the following conditions are complied with:

approval from each Director must be received by one person being either such person as all the Directors have nominated in advance for that purpose or such other person as volunteers if necessary (“the Recipient”), which person may, for the avoidance of doubt, be one of the Directors;

following receipt of responses from all of the Directors, the Recipient must communicate to all of the Directors by any means whether the resolution has been formally approved by the Directors in accordance with this Article 24.2;

the date of the decision shall be the date of the communication from the Recipient confirming formal approval;

the Recipient must prepare a minute of the decision.

25. Conflicts of interest

- 25.1 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.

- 25.2 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors.

- 25.3 Whenever a matter is to be discussed at a meeting or decided in accordance with Article 19 and a Director has a Conflict of Interest in respect of that matter then, subject to Article 21, he or she must:

remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;

not be counted in the quorum for that part of the meeting; and

withdraw during the vote and have no vote on the matter.

- 25.4 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.

26. Directors’ power to authorise a conflict of interest

- 26.1 The Directors have power to authorise a Director to be in a position of Conflict of Interest provided:

in relation to the decision to authorise a Conflict of Interest, the conflicted Director must comply with Article 25.3;

in authorising a Conflict of Interest, the Directors can decide the manner in which the Conflict of Interest may be dealt with and, for the avoidance of doubt, they can decide that the Director with a Conflict of Interest can participate in a vote on the matter and can be counted in the quorum;

the decision to authorise a Conflict of Interest can impose such terms as the Directors think fit and is subject always to their right to vary or terminate the authorisation; and

- 26.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 26.1 then, even if he or she has been authorised to remain at the meeting by the other Directors, the Director may absent himself or herself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed.
- 26.3 A Director shall not be accountable to the Company for any benefit which he or she derives from any matter, or from any office, employment or position, which has been authorised by the Directors in accordance with Article 26.1 (subject to any limits or conditions to which such approval was subject).

APPOINTMENT AND RETIREMENT OF DIRECTORS

27. Methods of appointing directors

- 27.1 Those persons notified to the Registrar of Companies as the first Directors of the Company shall be the first Directors.
- 27.2 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
- (a) by ordinary resolution at the AGM; or
 - (b) by a decision of the Directors.

28. Termination of Director's appointment

A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Companies Acts, or is prohibited from being a Director by law;
- (b) a bankruptcy order is made against that person, or an order is made against that person in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

- (d) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when such resignation has taken effect);
- (e) the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason; or
- (f) at a general meeting of the Company, a resolution is passed that the Director be removed from office, provided the meeting has invited the views of the Director concerned and considered the matter in the light of such views.

BECOMING AND CEASING TO BE A DIRECTOR MEMBER

29. Becoming a Director Member

- 29.1 The subscribers to the Memorandum are the first members of the Company.
- 29.2 Such other persons as are admitted to membership in accordance with the Articles shall be members of the Company.
- 29.3 No person shall be admitted a member of the Company unless he or she is approved by the Directors.
- 29.4 Every person who wishes to become a member shall deliver to the Company an application for membership in such form (and containing such information) as the Directors require and executed by him or her.

30. Termination of membership

- 30.1 Membership is not transferable to anyone else.
- 30.2 Membership is terminated if:

the member dies or ceases to exist;

otherwise in accordance with the Articles; or

at a meeting of the Directors at which at least half of the Directors are present, a resolution is passed resolving that the member be expelled on the ground that his or her continued membership is harmful to or is likely to become harmful to the interests of the Company. Such a resolution may not be passed unless the member has been given at least 14 Clear Days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify expulsion, and has been afforded a reasonable opportunity of being heard by or of making written representations to the Directors. A member expelled by such a resolution will nevertheless remain liable to pay to the Company any subscription or other sum owed by him or her.

31. FINANCES

- 31.1 The Association shall operate a bank or building society account in the name of the Association and all money belonging to the Association shall be paid into the account.
- 31.2 All payments must be made from the account by the Treasurer or the Secretary, who have been authorised by the Committee to do so.
- 31.3 The Treasurer shall be responsible for maintaining correct books of accounts and for preparing and presenting statements of account to each General Meeting of the Association.
- 31.4 The Association shall comply with the conditions of any funding body from which
- 31.5 it receives a grant or other form of expenditure as required.

32. ALTERATIONS TO THE ARTICLES OF ASSOCIATION

These Articles of Association may be altered by a resolution passed at a properly convened general meeting by not less than two thirds or those present and voting in favour. All Association Members shall be entitled to receive details of any proposed alteration before a vote is taken.

33 DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved by a resolution passed at a properly convened general meeting of the Association called specifically for the purpose, at which not less than two thirds of those present vote in favour.

In the event of any dissolution of the Association, the provisions of Clauses 2 to 4 of these Articles shall apply.

34 EXCLUSION OF MODEL ARTICLES

The relevant model articles for a company limited by guarantee are hereby expressly excluded.

SCHEDULE
INTERPRETATION

Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

Term	Meaning
1.1 “Address”	includes a number or address used for the purposes of sending or receiving Documents by Electronic Means;
1.2 “Articles”	the Company’s articles of association;
1.3 “asset-locked body”	means (i) a community interest company, a charity ¹ or a Permitted Society; or (ii) a body established outside the United Kingdom that is equivalent to any of those;
1.4 “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;
1.5 “Chairperson of the meeting”	has the meaning given in Article 11.3;
1.6 “Clear Days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
1.7 “Committee”	has the meaning given in Article 12;
1.8 “community”	is to be construed in accordance with accordance with Section 35(5) of the Company’s (Audit Investigations and Community Enterprise) Act 2004;
1.9 “Companies Acts”	means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company;

1.10	“Company”	Craigentiny Allotment Association C.I.C.;
1.11	“Conflict of Interest”	any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts, or might conflict with the interests of the Company;
1.12	“Director”	a director of the Company, and includes any person occupying the position of director, by whatever name called;
1.13	“Electronic Form” “Electronic Means”	and have the meanings respectively given to them in Section 1168 of the Companies Act 2006;
1.14	“Memorandum”	the Company’s memorandum of association;
1.15	“paid”	means paid or credited as paid;
1.16	“participate”	in relation to a Directors’ meeting, has the meaning given in Article 20;
1.17	“Registered Society”	“registered society” means – <ul style="list-style-type: none"> a. a registered society within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014; or b. a society registered or deemed to be registered under the Industrial and provident Societies Act (Northern Ireland) 1969;”
1.18	“the Regulator”	means the Regulator of Community Interest Companies;
1.19	“Secretary”	the secretary of the Company (if any);
1.20	“specified”	means specified in the articles of association of the Company for the purposes of this paragraph;

- 1.21 “transfer”** includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right over, any property; and
- 1.22 “Writing”** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.
2. Subject to clause 3 of this schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
3. Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.

¹ Section 1(1) of the Charities Act 2006 defines “charity” as an institution which “is established for charitable purposes only, and falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities.”