

**ARTICLES OF ASSOCIATION OF
THE GARWOOD FOUNDATION**

1. Objects

1.1 The objects of the charity are to promote the care, welfare, interest, treatment and advancement of education of adults and children having cerebral palsy and other profound, multiple, acquired or other disabilities, particularly those living in the London Boroughs of Croydon, Sutton and Bromley, and in particular do, perform and carry out all or any of the following acts and things:

- (A) Provide, maintain and conduct a wide range of services for local people with disabilities, their families and carers, by the provision of a school, a registered residential home and a day centre.
- (B) Provide welfare support and advice services for the children and adults, and their families and carers, liaising in these matters with various statutory support bodies
- (C) Provide, maintain and conduct clinics, treatment and training centres and workshops, day schools, nurseries, employment centres, holiday facilities and homes, clubs, hostels and other foundations.
- (D) Provide financial assistance, to make grants and donations to and to provide equipment and apparatus for clients and generally to provide such other assistance to Local or Central Authorities or other bodies of persons calculated to be of benefit to clients collectively or individually, including funding for the cost of legal or other representation and

expert witnesses in relation to statements of special educational needs and the associated appeals system.

- (E) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Charity may think necessary or convenient for the promotion of its objects and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Charity.
- (F) To accept any gifts, subscriptions (whether or not under Deed of Covenant), donations, bequests or devises of lands, moneys, securities or other real or personal property which may be useful or available for any one or more objects of the Charity and to utilise or employ the same for all or any such objects.
- (G) To take such lawful steps by appeal, public meetings or otherwise as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the Charity in the shape of donations, annual subscriptions or otherwise.
- (H) To print and publish, or procure to be printed and published, and to circulate, or procure to be circulated (whether gratuitously or not), any newspapers, periodicals, magazines, books, pamphlets, leaflets, or other documents that may be deemed desirable for the promotion of the objects of the Charity or any of them.
- (I) To subscribe to, become a member of, or amalgamate or cooperate with any other organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Charity and which by its constitution prohibits the distribution of its income and property

amongst its members to an extent at least as great as is imposed on the Charity.

- (J) To sell, manage, lease, mortgage, dispose of or otherwise deal with all or any part of the property of the Charity as may be thought expedient with a view to the promotion of its objects.
- (K) To borrow and raise money in such manner and on such security as the Charity may think fit, and to issue debentures and other securities.
- (L) To invest the moneys of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
- (M) To make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees, former employees and their widows and other dependants.
- (N) To purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Charity of any one or more of the organisations, institutions, societies or bodies with which the Society is authorised to amalgamate.
- (O) To do all or any of the things hereinbefore authorised either alone or in conjunction with any other organisation, institution, society or body with which the Charity is authorised to amalgamate.
- (P) To do all such other lawful things to further the above objects.

1.2 This provision may be amended by special resolution but only with the prior written consent of the Commission.

2. Powers

The Charity has the following powers, which may be exercised only in promoting the Objects:

- 2.1 to provide advice or information;
- 2.2 to carry out research;
- 2.3 to co-operate with other bodies;
- 2.4 to support, administer or set up other charities;
- 2.5 to accept gifts and to raise funds (but not by means of taxable trading);
- 2.6 to borrow money;
- 2.7 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act);
- 2.8 to acquire or hire property of any kind;
- 2.9 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);
- 2.10 to set aside funds for special purposes or as reserves against future expenditure;
- 2.11 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);
- 2.12 to delegate the management of investments to a financial expert, but only on terms that:
 - (1) the investment policy is set down in writing for the financial expert by the Trustees;
 - (2) timely reports of all transactions are provided to the Trustees;
 - (3) the performance of the investments is reviewed regularly with the Trustees;

- (4) the Trustees are entitled to cancel the delegation arrangement at any time;
 - (5) the investment policy and the delegation arrangement are reviewed at least once a year;
 - (6) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
 - (7) the financial expert must not do anything outside the powers of the Charity;
- 2.13 to arrange for investments or other property of the Charity to be held in the name of a nominee company acting under the direction of the Trustees or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required;
- 2.14 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as custodian, and to pay any reasonable fee required;
- 2.15 to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 2.16 subject to Article 6.3, to employ paid or unpaid agents, staff or advisers;
- 2.17 to enter into contracts to provide services to or on behalf of other bodies;
- 2.18 to establish or acquire subsidiary companies;
- 2.19 to do anything else within the law which promotes or helps to promote the Objects.

3. The Trustees

- 3.1 The Trustees as charity trustees have control of the Charity and its property and funds.

- 3.2 The subscribers to the Memorandum (being the first Members) are also the first Trustees.
- 3.3 The Trustees when complete consist of at least 7 and not more than 14 persons who being individuals, all of whom must support the Objects.
- 3.4 A Trustee may not act as a Trustee unless he/she has signed a written declaration of willingness to act as a charity trustee of the Charity.
- 3.5 At the first Trustee Meeting held in each calendar year, either
- (1) one third (or the number nearest one third) of the Trustees must retire;
 - or
 - (2) those Trustees who shall have been appointed for 3 years or more at the date of the relevant meeting
- whichever shall be the lesser number and for the purposes of those retiring under Article 3.5(1) the Trustees must retire by those longest in office retiring first and the choice between any of equal service shall be made by drawing lots.
- 3.6 A retiring Trustee who is eligible under Article 3.4 may be reappointed.
- 3.7 A Trustee's term of office as such automatically terminates if he/she:
- (1) is disqualified under the Charities Act from acting as a charity trustee;
 - (2) is incapable, whether mentally or physically, of managing his/her own affairs;
 - (3) is absent from more than half the meetings of the Trustees in any period of twelve consecutive meetings of the Trustees without permission of the Trustees;
 - (4) resigns by written notice to the Trustees (but only if at least two Trustees will remain in office) or otherwise ceases to be a Member; or
 - (5) is removed by the Members at a general meeting under the Companies Act.

3.8 The Trustees may at any time appoint any individual who is eligible under Article 3.4 as a Trustee to fill a vacancy in their number or (subject to the maximum number permitted by Article 3.3) as an additional Trustee.

3.9 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

4. Trustees' proceedings

4.1 The Trustees must hold at least 6 meetings each year.

4.2 A quorum at a meeting of the Trustees is 5 Trustees.

4.3 A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants but at least one meeting in each year must be held in person.

4.4 The Chairman or (if the Chairman is unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting.

4.5 Any issue may be determined by a simple majority of the votes cast at a meeting, but a Resolution in writing agreed by all the Trustees (other than any Conflicted Trustee who has not been authorised to vote) is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document.

4.6 Every Trustee has one vote on each issue but, in case of equality of votes, the Chairman of the meeting has a second or casting vote.

4.7 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

5. Trustees' powers

The Trustees have the following powers in the administration of the Charity in their capacity as Trustees:

- 5.1 To appoint (and remove) any person (who may be a Trustee) to act as Secretary in accordance with the Companies Act.
- 5.2 To annually appoint a Chairman, a Treasurer and other honorary officers from among their number.
- 5.3 To delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees.
- 5.4 To make standing orders consistent with the Memorandum, the Articles and the Companies Act to govern proceedings at general meetings.
- 5.5 To make rules consistent with the Memorandum, the Articles and the Companies Act to govern their proceedings and proceedings of committees.
- 5.6 To make regulations consistent with the Memorandum, the Articles and the Companies Act to govern the administration of the Charity and the use of its seal (if any).
- 5.7 To establish procedures to assist the resolution of disputes or differences within the Charity.
- 5.8 To exercise in their capacity as Trustees any powers of the Charity which are not reserved to the Members.

6. Benefits and Conflicts

- 6.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the Members.

Subject to compliance with Article 6.4:

- (1) Members, Trustees and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity;
- (2) Members, Trustees and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and

(3) Members, Trustees and Connected Persons may receive charitable benefits on the same terms as any other beneficiaries.

6.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:

- (1) as mentioned in Articles 6.1 or 6.3;
- (2) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity;
- (3) the benefit of indemnity insurance as permitted by the Charities Act;
- (4) an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
- (5) in exceptional cases, other payments or benefits (but only with the written consent of the Commission in advance and where required by the Companies Act the approval or affirmation of the Members).

6.3 No Trustee or Connected Person may be employed by the Charity except in accordance with Article 6.2(5), but any Trustee or Connected Person may enter into a contract with the Charity, as permitted by the Charities Act, to supply goods or services in return for a payment or other material benefit but only if:

- (1) the goods or services are actually required by the Charity, and the Trustees decide that it is in the best interests of the Charity to enter into such a contract;
- (2) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article 6.4; and
- (3) fewer than half of the Trustees are subject to such a contract in any financial year.

6.4 Subject to Clause 6.5, any Trustee who becomes a Conflicted Trustee in relation to any matter must:

- (1) declare the nature and extent of his or her interest before discussion begins on the matter;
- (2) withdraw from the meeting for that item after providing any information requested by the Trustees;
- (3) not be counted in the quorum for that part of the meeting; and
- (4) be absent during the vote and have no vote on the matter.

6.5 When any Trustee is a Conflicted Trustee, the Trustees who are not Conflicted Trustees, if they form a quorum without counting the Conflicted Trustee and are satisfied that it is in the best interests of the Charity to do so, may by resolution passed in the absence of the Conflicted Trustee authorise the Conflicted Trustee, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Trustee, to:

- (1) continue to participate in discussions leading to the making of a decision and/or to vote, or
- (2) disclose to a third party information confidential to the Charity, or
- (3) take any other action not otherwise authorised which does not involve the receipt by the Conflicted Trustee or a Connected Person of any payment or material benefit from the Charity or
- (4) refrain from taking any step required to remove the conflict.

6.6 This provision may be amended by special resolution but, where the result would be to permit any material benefit to a Trustee or Connected Person, only with the prior written consent of the Commission.

7. Records and Accounts

7.1 The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping records, the audit or independent

examination of accounts and the preparation and transmission to the Registrar of Companies and the Commission of information required by law including:

- (1) annual returns;
- (2) annual reports; and
- (3) annual statements of account.

7.2 The Trustees must also keep records of:

- (1) all proceedings at meetings of the Trustees;
- (2) all resolutions in writing;
- (3) all reports of committees; and
- (4) all professional advice obtained.

7.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours .

7.4 A copy of the Charity's constitution and latest available statement of account must be supplied on request to any Trustee. Copies of the latest accounts must also be supplied in accordance with the Charities Act to any other person who makes a written request and pays the Charity's reasonable costs.

8. Membership

8.1 The Charity must maintain a register of Members.

8.2 The subscribers to the Memorandum are the first Members.

8.3 Only the Trustees of the Charity shall be Members. On appointment as a Trustee a person shall automatically become a Member.

8.4 Membership is not transferable.

8.5 Membership is terminated if:

- (1) the Member dies or ceases to exist;
- (2) otherwise in accordance with the Articles; or
- (3) a Member is not or ceases to be a Trustee.

9. General Meetings

- 9.1 Members are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is in writing and notified to the Secretary before the commencement of the meeting).
- 9.2 General meetings are called on at least 14 clear days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) setting out the terms of the proposed special resolution.
- 9.3 There is a quorum at a general meeting if the number of Members present in person or by proxy is at least 5.
- 9.4 The chairman at a general meeting is the Chairman elected by the Trustees.
- 9.5 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
- 9.6 Every Member present in person or by proxy has one vote on each issue.
- 9.7 Except where otherwise provided by the Articles or the Companies Act, a written resolution (whether an ordinary or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose the written resolution may be set out in more than one document.
- 9.8 There is no requirement for the Charity to hold an annual general meeting.
- 9.9 Members must annually at a general meeting:
- (1) receive the accounts of the Charity for the previous financial year;
 - (2) appoint reporting accountants or auditors for the Charity.
- 9.10 Members may also from time to time
- (1) confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of the Charity; and
 - (2) discuss and determine any issues of policy or deal with any other business put before them by the Trustees.

9.11 A general meeting may be called by the Trustees at any time and must be called within 21 days of a written request from one or more Trustees , at least 10% of the Membership or (where no general meeting has been held within the last year) at least 5% of the Membership.

9.12 A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or a Written Resolution.

10. Limited Liability

The liability of Members is limited.

11. Guarantee

Every Member promises, if the Charity is dissolved while he/she remains a Member or within one year after he/she ceases to be a member, to pay up to £5 towards:

11.1 payment of those debts and liabilities of the Charity incurred before he/she

ceased to be a Member;

11.2 payment of the costs, charges and expenses of winding up; and

11.3 the adjustment of rights of contributors among themselves.

12. Communications

12.1 Notices and other documents to be served on Members or Trustees under the Articles or the Companies Act may be served:

(1) by hand;

(2) by post;

(3) by suitable electronic means; or

through publication in the Charity's newsletter or on the Charity's website.

12.2 The only address at which a Member is entitled to receive notices sent by post is an address in the U.K. shown in the register of Members.

12.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

- (1) 24 hours after being sent by electronic means, posted on the Charity's website or delivered by hand to the relevant address;
- (2) two clear days after being sent by first class post to that address;
- (3) three clear days after being sent by second class or overseas post to that address;
- (4) immediately on being handed to the recipient personally;
or, if earlier,
- (5) as soon as the recipient acknowledges actual receipt.

12.4 A technical defect in service of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

13. Dissolution

13.1 If the Charity is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:

- (1) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;
- (2) directly for the Objects or for charitable purposes which are within or similar to the Objects;
- (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.

13.2 A final report and statement of account must be sent to the Commission.

13.3 This provision may be amended by special resolution but only with the prior written consent of the Commission.

14. Interpretation

14.1 The Articles are to be interpreted without reference to the model articles under the Companies Act, which do not apply to the Charity.

14.2 In the Articles, unless the context indicates another meaning:

‘the Articles’ means the Charity’s Articles of Association and ‘Article’ refers to a particular Article;

‘Chairman’ means the chairman of the Trustees;

‘the Charity’ means the company governed by the Articles;

‘the Charities Act’ means the Charities Acts 1992 to 2006;

‘charity trustee’ has the meaning prescribed by the Charities Act;

‘clear day’ does not include the day on which notice is given or the day of the meeting or other event;

‘the Commission’ means the Charity Commission for England and Wales or any body which replaces it;

‘the Companies Act’ means the Companies Acts 1985 to 2006;

‘Conflicted Trustee’ means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity;

‘Connected Person’ means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee’s family or household or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not

include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights;

'constitution' means the Memorandum and the Articles and any special resolutions relating to them;

'custodian' means a person or body who undertakes safe custody of assets or of documents or records relating to them;

'electronic means' refers to communications addressed to specified individuals by telephone, fax or email or, in relation to meetings, by telephone conference call or video conference;

'financial expert' means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;

'financial year' means the Charity's financial year;

'firm' includes a limited liability partnership;

'indemnity insurance' has the meaning prescribed by the Charities Act;

'material benefit' means a benefit, direct or indirect, which may not be financial but has a monetary value;

'Member' and 'Membership' refer to company Membership of the Charity;

'nominee company' means a corporate body registered or having an established place of business in England and Wales which holds title to property for another;

'ordinary resolution' means a resolution agreed by a simple majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who together hold a simple majority of the voting power;

'the Objects' means the Objects of the Charity as defined in Article 1;

'Resolution in writing' means a written resolution of the Trustees;

‘Secretary’ means a company secretary;

‘special resolution’ means a resolution of which at least 14 days’ notice has been given agreed by a 75% majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who together hold 75% of the voting power. Where applicable, ‘Members’ in this definition means a class of Members;

‘taxable trading’ means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax;

‘Trustee’ means a director of the Charity and ‘Trustees’ means the directors;

‘written’ or ‘in writing’ refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper;

‘written resolution’ refers to an ordinary or a special resolution which is in writing;

‘year’ means calendar year.

14.3 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.

14.4 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.