

Companies Acts 2006

Company limited by guarantee

without a share capital

ARTICLES OF ASSOCIATION¹

OF

COUNTY SPORTS PARTNERSHIP NETWORK

1. Objects

1.1 The **Objects** of the **Charity** are for the public benefit to promote community participation in healthy recreation for the benefit of the inhabitants of counties throughout England and in particular to provide, or to assist **County Sports Partnership organisations** in providing, and to promote:-

(1) public facilities, amenities, equipment and services for healthy recreation;

(2) facilities and services for recreational, sporting or other leisure time

occupation in the interests of social welfare for the public at large or those

who by reason of their youth, age, infirmity or disablement, financial hardship

or social and economic circumstances, have need of such facilities and

services;

(3) the improvement and preservation of good health and well-being through

participation in healthy recreation;

¹ In these Articles words printed on first appearance in bold type are defined in Article 16.2.

(4) education, training and coaching courses which promote physical health and fitness;

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 represent support and promote County Sports Partnership organisations;
- 2.2 to provide advice or information to County Sports Partnership organisations;
- 2.3 to arrange exhibitions, meetings, lectures, seminars and training courses;
- 2.4 to support, administer or set up other charities with similar objects to the Charity;
- 2.5 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity;
- 2.6 to accept gifts or grants and to raise funds (but not by means of any **taxable permanent trading activity**);
- 2.7 to make grants or loans;
- 2.8 to borrow money and give security for loans or other obligations (but only in accordance with the restrictions imposed by the **Charities Act**);
- 2.9 to acquire or hire property of any kind;
- 2.10 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);
- 2.11 to set aside funds for special purposes or as reserves against future expenditure;

- 2.12 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the **Board** considers necessary and having regard to the suitability of investments and the need for diversification);
- 2.13 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 Board;
 - (2) timely reports of all transactions are provided to the Board;
 - (3) the performance of the investments is reviewed regularly with the Board;
 - (4) the Board is 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 Board on receipt; and
 - (7) the financial expert must not do anything outside the powers of the Charity;
- 2.14 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 Board or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required;
- 2.15 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;

- 2.16 to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 2.17 subject to **Article** 6.3, to employ paid or unpaid agents, staff or advisers;
- 2.18 to enter into contracts to provide services to or on behalf of County Sports Partnership organisations or other bodies with similar objects to the Charity;
- 2.19 to co-operate with County Sports Partnership organisations or other bodies with similar objects to the Charity;
- 2.20 to establish or acquire subsidiary companies;
- 2.21 to do anything else within the law which promotes or helps to promote the Objects.

3. The Board of Trustees

- 3.1 The Board has control of the Charity and its property and funds.
- 3.2 The number of Trustees on the Board shall be at least three and (unless otherwise determined by a special resolution of the Members) not more than eleven individuals who are over the age of 18, being
 - (1) The **Chair** of the Charity appointed in accordance with Article 3.3 who shall also be the Chair of the Board;
 - (2) Six **Elected Trustees** appointed in accordance with Article 3.4 (1); and
 - (3) Four additional **Elected Trustees** appointed in accordance with Article 3.4
- 3.3 (1) The Chair shall be elected by the Board from candidates (who need not be existing Trustees) recommended in writing to the Board by a Trustee or by a Member in the course of an open recruitment process to be determined by the Board. The Board may regulate its proceedings in respect of such election as it sees fit.

(2) Each Chair shall be a Trustee and shall hold office for a term of three years unless previously removed from office by a 75% majority of the votes cast at a meeting of the Board or unless his or her appointment is previously terminated in accordance with Article 3.8. Each Chair may stand for re-election for one further consecutive term of three years. A Chair who has served two consecutive three-year terms of office shall retire and shall not be capable of re-election as the Chair under these Articles for a minimum period of one year from such retirement.

3.4 (1) Six Elected Trustees who are associated with Member CSPs (as either their employees or board directors/trustees) shall be elected by the Board from candidates nominated in writing to the Board by the Members in the course of an open recruitment process to be determined by the Board. The Board may regulate its proceedings in respect of such elections as it sees fit.

(2) Four additional Elected Trustees who are not associated with Member CSPs (as either their employees or board directors/trustees) shall be elected by the Board from candidates recommended in writing to the Board by a Trustee or by a Member in the course of an open recruitment process to be determined by the Board. The Board may regulate its proceedings in respect of such election as it sees fit.

(3) The Elected Trustees shall not retire by rotation but each shall hold office for a term of three years unless his or her appointment is previously terminated in accordance with Article 3.8. Each Elected Trustee may stand for re-election for one further consecutive term of three years. An Elected Trustee who has served two consecutive three-year terms of office shall retire and shall not be capable of

re-election under these Articles for a minimum period of one year from such retirement.

- 3.5 The Trustees may at any time co-opt any individual who is over the age of 18 to fill a vacancy in their number or (subject to the maximum number permitted by Article 3.2) as an additional Trustee, but such a Co-opted Trustee holds office only for one year from the date of his or her co-option, following which he or she may stand for election as the Chair or as an Elected Trustee.
- 3.6 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.
- 3.8 A Trustee's term of office as such automatically terminates if he/she:
- (1) ceases to be a director of the Charity by virtue of any provision in the Companies Act;
 - (2) is disqualified under the Charities Act from acting as a charity trustee;
 - (3) is incapable, whether mentally or physically, of managing his/her own affairs;
 - (4) is absent without permission from three consecutive meetings of the Trustees and is asked by a majority of the other Trustees to resign; or
 - (5) resigns by written notice to the Trustees (but only if at least three Trustees will remain in office); or
 - (6) is removed by the Members.
- 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. Board proceedings

- 4.1 The Board must hold at least three meetings each year.
- 4.2 A quorum at a meeting of the Board is three Trustees or at least one third of the Trustees (if greater).
- 4.3 A meeting of the Board 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 **Chair** or (if the Chair is unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting.
- 4.5 Unless otherwise stated, any issue may be determined by a simple majority of the votes cast at a meeting of the Board, 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 an equality of votes, the chair 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. Board powers

The Board has the following powers in the administration of the Charity:-

- 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 appoint a chief executive officer and other executive staff to manage the Charity in accordance with terms determined by the Board.
- 5.3 To delegate any of its functions to committees consisting of two or more individuals appointed by the Board. At least two members of every committee must be Trustees and all proceedings of committees must be reported promptly to the Board.
- 5.4 To make such reasonable and proper rules or bye laws as the Board may deem necessary or expedient for the proper conduct, management and administration of the Charity. Such rules may regulate the following matters but are not restricted to them:
- (1) the admission of Members of the Charity and the rights and privileges of such Members, and the entrance fees, subscriptions and other fees or payments to be made by Members;
 - (2) the conduct of Members and their authorised representatives in relation to one another, and to the Charity's employees and volunteers;
 - (3) the procedure at general meetings and meetings of the Board or of committees in so far as such procedure is not regulated by the Companies Act or by these Articles;
 - (4) generally, all such matters as are commonly the subject matter of company rules.
- 5.5 To establish procedures to assist the resolution of disputes or differences within the Charity.

5.6 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 but:

- (1) Members who are not Trustees or **Connected Persons** may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied.
- (2) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity;
- (3) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and
- (4) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may receive charitable benefits on the same terms as any other beneficiaries of the Charity.

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 civil or 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 written 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) no more than half of the Trustees are subject to such a contract in any financial year.

6.4 Subject to Article 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 Board 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 Board must also keep records of:
- (1) all proceedings at meetings of the Board;
 - (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 and may be made available for inspection by Members who are not Trustees if the Board so decides.
- 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 **Membership** is open to

- (1) any County Sports Partnership organisation (including ones which are unincorporated associations) interested in furthering the Objects and approved by the Board; and
- (2) the individuals who are the subscribers on incorporation of the Charity (who shall resign as Members once at least three County Sports Partnership organisations are registered as Members).

8.3 The form and the procedure for applying for Membership, the level of subscription and the terms of the annual Membership Agreement, are to be prescribed by the Board.

8.4 (1) The Board may only refuse an application for Membership if, acting reasonably and properly, it considers it to be in the best interests of the Charity to refuse the application.

(2) The Board must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

(3) The Board must consider any written representations the applicant may make about the decision. The Board's decision following any written representations must be notified to the applicant in writing and shall be final.

8.5 Membership is not transferable.

8.6 The Board may establish different classes of Membership (including associate membership/non-voting membership) with different rights and obligations and shall record the rights and obligations in the register of Members.

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 or if a special resolution is to be proposed at least 21 clear days' written notice 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 and entitled to vote is at least fourteen Members or one third of the total Membership at the time, whichever is the greater.
- 9.4 The authorised representative of a Member being an organisation shall be counted in the quorum.
- 9.5 General meetings shall be chaired by the Chair.
- 9.6 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by **ordinary resolution**.
- 9.7 Every Member present in person or by proxy has one vote on each issue.
- 9.8 Except where otherwise provided by the Articles or the Companies Act, a written resolution of the Members (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.
- 9.9 The Charity must hold an **AGM** in every year.
- 9.10 Members must annually at the AGM:
- (1) receive the accounts of the Charity for the previous **financial year**;
 - (2) receive a written report on the Charity's activities;
 - (3) be informed of the retirement of any Trustees and of the appointment of any new Trustees;
 - (4) appoint reporting accountants or auditors for the Charity;
- 9.11 A general meeting may be called by the Board at any time and must be called within 21 days of a written request from 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 by a written resolution.
- 9.13 A Member being an organisation (including an unincorporated association) may appoint any individual it considers appropriate to act as its authorised representative at a general meeting of the Charity provided that such individual may not be a Trustee of the Charity. Any such appointment shall be made, or may be revoked, by written notice to the Secretary.
- 9.14 The authorised representative will be entitled to exercise all rights of Membership on behalf of the Member to attend, speak and vote at any general meeting and to sign any written resolution pursuant to Article 9.8.
- 9.15 The Charity shall not be required to consider whether the authorised representative has been properly appointed by the Member.

10 Termination or suspension of Membership

10.1 Membership is terminated if:

- (1) the Member being an organisation, is dissolved or wound up, or goes into liquidation or enters into any form of arrangement with its creditors or is otherwise insolvent, or is struck off the Register at Companies House or otherwise ceases to exist;
- (2) the Member resigns by written notice to the Charity unless there would be less than two Members after the resignation;
- (3) any subscription or other sum due from the Member to the Charity is not paid in full within six months of it falling due;

(4) the Member is removed from Membership by an ordinary resolution of the Charity in general meeting that it is in the best interests of the Charity that the Membership is terminated. A resolution to remove a Member from Membership may only be passed if:

- (a) the Member has been given at least twenty-one days' notice in writing of the general meeting of the Charity at which the resolution will be proposed and the reasons why it is to be proposed; and
- (b) the Member's representative (if any) has been allowed to make representations to the meeting.

10.2 The Board shall have the right to suspend the Membership of any Member where the Board resolves by a 75% majority of the votes cast at a meeting of the Board that it is in the best interests of the Charity that its Membership is suspended; provided that the Board shall specify the terms and/or duration of such suspension at the time of passing the resolution.

11. Honorary Officers

Members may also from time to time confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of the Charity on such terms as the Members shall think fit. A person so appointed shall not be a Trustee or Member of the Charity but shall have the right to attend and speak (but not vote) at any general meeting of the Charity and to be given notice of it as if a Member and shall also have the right to receive accounts of the Charity when available to Members.

12. Limited Liability

The liability of Members is limited.

13. Guarantee

Every Member promises, if the Charity is dissolved while he/she/it remains a Member or within one year after he/she/it ceases to be a member, to pay up to £1 towards:

- 13.1 payment of those debts and liabilities of the Charity incurred before he/she/it ceased to be a Member;
- 13.2 payment of the costs, charges and expenses of winding up; and
- 13.3 the adjustment of rights of contributors among themselves.

14. Communications

14.1 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
- (4) through publication in the Charity's newsletter (if any) if posted to Members or on the Charity's website.

14.2 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.

14.3 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.

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

15. Dissolution

15.1 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 which are within, the same as or similar to the Objects;
- (2) directly for the Objects or for charitable purposes which are within, the same as or similar to the Objects;
- (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.

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

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

16. Interpretation

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

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

‘AGM’ means an annual general meeting of the Charity;

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

‘Board’ means the Board of Trustees;

‘Chair’ means the chair of the Charity and of the Trustees appointed in accordance with Article 3.3;

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

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

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

‘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;

'Co-opted Trustee' means a Trustee co-opted to the Board in accordance with Article 3.5;

'County Sports Partnership organisation' means a non-profit organisation which is recognised by the Charity as promoting purposes which are the same as or similar to those of the Charity within a specific county or area of England;

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

'Elected Trustee' means a Trustee elected to the Board in accordance with Article 3.4;

'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’ means insurance against personal liability incurred by any Trustee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the act or omission amounts to a criminal offence or the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;

‘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 carrying the right to vote;

‘Member CSP’ means a County Sport Partnership organisation which is a Member of the Charity;

‘Memorandum’ means the Charity’s Memorandum of Association;

‘month’ means calendar month;

‘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. Where applicable, ‘Members’ in this definition means a class of Members;

‘the Objects’ means the Objects of the Charity as defined in Article 1;

‘Region’ means one of the regions in England comprising the County Sports Partnership organisations who are the members for that region;

‘Resolution in writing’ means a written resolution of the Board;

‘Secretary’ means a company secretary;

‘special resolution’ means a resolution of which at least 21 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 permanent trading activity’ 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 who is also a charity trustee in accordance with the meaning prescribed by the Charities Act; 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.

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

16.4 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.

17. Transition arrangements

During the period from the adoption of these Articles at the November 2015 AGM, to the end of the AGM in 2016 (“the transition period”) the number and associated status of Elected Trustees may vary from the provisions set out in in Articles 3.2 and 3.4. During the transition period some or all of the Elected Trustees in post at the 2015 AGM will retire as new Trustees are elected. Such retiring Elected Trustees shall be eligible for re-election in accordance with articles 3.2 and 3.4.