

The Companies Act 2006

private company limited by guarantee

ARTICLES OF ASSOCIATION

of

LEICESTER DIOCESAN BOARD OF EDUCATION

Amended by Special Resolution on 26th January 2022

1. Objects

- 1.1 The Objects of the Board are to promote or assist in the promotion of education for the public benefit in the Diocese.
- 1.2 The Objects shall be carried out in accordance with the doctrines and principles of the Church of England.

2. Powers

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

- 2.1 to hold land and other property on trust and to act as custodian trustee and, in accordance with Article 5(5) of the Measure, as a trust corporation,
- 2.2 to undertake the functions of the Diocesan Board of Education for the Diocese in accordance with the provisions of the Measure and of any legislation amending, supplementing or replacing the same,
- 2.3 to provide advice or information,
- 2.4 to carry out research,
- 2.5 to co-operate with other bodies,
- 2.6 to support, administer or set up other charities,
- 2.7 to accept gifts and to raise funds (but not by means of Taxable Trading),
- 2.8 to borrow money,
- 2.9 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act),
- 2.10 to acquire or hire property of any kind,
- 2.11 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act and the Education Acts),
- 2.12 to make grants or loans of money and to give guarantees,
- 2.13 to set aside funds for special purposes or as reserves against future expenditure,
- 2.14 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),

- 2.15 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 Board.
- 2.16 to arrange for investments or other property of the Board 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,
- 2.17 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,
- 2.18 to insure the property of the Board against any foreseeable risk and take out other insurance policies to protect the Board when required,
- 2.19 to pay for Indemnity Insurance for the Trustees,
- 2.20 subject to Article 7.3, to employ paid or unpaid agents, staff or advisers,
- 2.21 to enter into contracts to provide services to or on behalf of other bodies,
- 2.22 to establish or acquire subsidiary companies to assist or act as agents for the Board,
- 2.23 to pay the costs of forming the Board, and
- 2.24 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 Board and its property and funds.
- 3.2 The Trustees shall be those individuals who are appointed from time to time in accordance with, and for such terms as shall be specified in, the Scheme to be the members of the Board.
- 3.3 The Trustees must support the Objects and may not act as a Trustee unless they have signed a written declaration of willingness to act as a charity trustee.
- 3.4 A Trustee shall cease to hold office if they:
- (1) resign or are removed in accordance with the provisions of the Scheme;
 - (2) are removed by ordinary resolution of the Board pursuant to the Companies Act;
 - (3) are disqualified from acting as a charity trustee by virtue of the Charities Act;
 - (4) cease to be a Member of the Board;
 - (5) have a bankruptcy order made against them or a composition is made with their creditors generally in satisfaction of their debts;
 - (6) in the written opinion of a registered medical practitioner who is treating the Trustee, have become physically or mentally incapable of acting as a director and may remain so for more than three months;

(7) subject to Article 3.5, are removed from office by a resolution of the Trustees that it is in the best interests of the Board that their office be vacated passed at a meeting at which at least 75% of the Trustees are present and are voting. Such a resolution must not be passed unless:

- (a) the Trustee has been given at least 14 clear days' notice in writing of the meeting of the Trustees at which the resolution will be proposed and the reasons why it will be proposed; and
- (b) the Trustee has been given a reasonable opportunity to make representations to the meeting either in person or in writing. The other Trustees must consider any representations made by the Trustee (or the Trustee's representative) and inform the Trustee of their decision following such consideration. There shall be no right of appeal from a decision of the Trustees to terminate the Trusteeship of a Trustee.

3.5 In the case of a Trustee who is appointed or elected under the Scheme, the power under Article 3.4(7) may be exercised only if the Bishop has given prior written approval.

3.6 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken by the Trustees where at a meeting or otherwise.

4. Trustees' proceedings

4.1 The Trustees must hold at least three meetings each year and an additional meeting shall be held if at any time eight or more Trustees make a request in writing to the Chair for the holding of such a meeting.

4.2 A quorum at a meeting of the Trustees is eight Trustees of which four shall be Trustees elected in accordance with the provisions of the Scheme.

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 simultaneously communicate with all the other participants. If all the Trustees participating in the 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.

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 The DDE shall not be a Trustee but shall be entitled to attend and speak at meetings of the Trustees but shall not have any right to vote.

4.6 Every Trustee has one vote on each issue but in case of equality of vote, 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 or otherwise.

5. Decision by Trustees outside of meetings

5.1 A decision of the Trustees is taken in accordance with this Article when either all eligible Trustees indicate to each other by any means that they share a common view on a matter or a resolution is passed in accordance with the provisions of Article 5.2.

5.2 A decision of the Trustees may be taken by a resolution in writing or electronic form agreed by a majority of all of the eligible Trustees, which may comprise either a single document or several documents containing the text of the resolution in like form to which the majority of all the eligible Trustees has signified their agreement. Such a resolution shall be effective provided that:

- (1) a copy of the proposed resolution has been sent, at or as near as reasonably practicable to the same time, to all of the eligible Trustees; and
 - (2) the majority of all the eligible Trustees has signified agreement to the resolution in a document or documents which has or have been authenticated by their signature, by a statement of their identity accompanying the document or documents, or in such other manner as the Trustees have previously resolved, and delivered to the Board at its registered office or any such other place as the Trustees may resolve within 28 days of the circulation date.
- 5.3 References in this Article to eligible Trustees are to Trustees who would have been entitled to vote on the matter had it been proposed as a resolution at a Trustees' meeting. A decision may not be taken in accordance with this Article if the eligible Trustees would not have formed a quorum at such a meeting.

6. Trustees' powers

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

- 6.1 to appoint a Treasurer and other honorary officers (but not Chair and Secretary) from among their number,
- 6.2 to delegate any of their functions to committees consisting of two or more individuals appointed by them provided that:
 - (1) at least one member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees; and
 - (2) the DDE may not be a member of a committee but may attend any meeting which a committee holds and speak at such meeting, but may not vote,
- 6.3 to make standing orders consistent with the Measure, the Scheme, the Articles and the Companies Act to govern proceedings at general meetings,
- 6.4 to make rules consistent with the Measure, the Scheme, the Articles and the Companies Act to govern their proceedings and proceedings of committees,
- 6.5 to make regulations consistent with the Measure, the Scheme, the Articles and the Companies Act to govern the administration of the Board and the use of its seal (if any),
- 6.6 to establish procedures to assist the resolution of disputes or differences within the Board, and
- 6.7 to exercise in their capacity as Trustees any powers of the Board which are not reserved to them in their capacity as Members.

7. Benefits and Conflicts

The property and funds of the Board must be used only for promoting the Objects and do not belong to the Members but:

- 7.1 Subject to compliance with Article 7.4:
 - (1) Members (being Trustees) and Connected Persons may be paid interest at a reasonable rate on money lent to the Board,
 - (2) Members (being Trustees) and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Board, and
 - (3) Individual Members (being Trustees) and Connected Persons may receive charitable

benefits on the same terms as any other members of the beneficial class.

- 7.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Board except:
- (1) as mentioned in Articles 7.1 or 7.3,
 - (2) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Board,
 - (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 Board (including the costs of a successful defence to criminal proceedings), or
 - (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).
- 7.3 No Trustee or Connected Person may be employed by the Board except in accordance with Article 7.2(5), but any Trustee or Connected Person may enter into a written contract with the Board, 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 Board, and the Trustees decide that it is in the best interests of the Board to enter into such a contract, and
 - (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 7.4, and
 - (3) fewer than one third of the Trustees are subject to such a contract in any financial year.
- 7.4 Subject to Article 7.5, any Trustee who becomes a Conflicted Trustee in relation to any matter must:
- (1) declare the nature and extent of their interest before discussion begins on the matter, and
 - (2) withdraw from the meeting for that item after providing any information requested by the Trustees, and
 - (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
- 7.5 Subject to Article 7.6, 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 Board 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 Board, 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 Board, or
 - (4) refrain from taking any step required to remove the conflict.
- 7.6 In accordance with paragraph (11) of Schedule 2 of the Measure, a conflict of loyalty which

would or might arise as a result of a Trustee also being a director of the DBF or a member of the Diocesan Synod, or both, is authorised if:

- (1) the conflict relates to a duty of loyalty owed to the DBF or Diocesan Synod and does not involve a direct or indirect benefit of any nature to the Trustee or Connected Person; and
- (2) the Trustee in question declares the conflict.

7.7 This Article 7 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.

8. Records and Accounts

8.1 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.

8.2 The Trustees must also keep records of:

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

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

8.4 A copy of the Articles 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 Board's reasonable costs.

9. Membership

9.1 The Board must maintain a register of Members and any person ceasing to be a Member shall be removed from the register.

9.2 The Trustees from time to time shall be the only Members and no other person may be a Member. A Trustee shall become a Member on becoming a Trustee.

9.3 Membership is not transferable.

9.4 A Member shall cease to be a Member if they:

- (1) cease to be a Trustee; or
- (2) die.

10. Chair and Secretary

- 10.1 The Chair shall be appointed in accordance with the provisions of the Scheme.
- 10.2 The Secretary shall be appointed in accordance with the provisions of the Scheme.

11. General Meetings

- 11.1 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).
- 11.2 General meetings are called on at least 14 and not more than 28 clear days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) at least 28 clear days' written notice setting out the terms of the proposed special resolution.
- 11.3 There is a quorum at a general meeting if the number of Members present in person is at least eight, of whom at least four are Members in their capacity as Trustees elected in accordance with the provisions of the Scheme.
- 11.4 The Chair presides at a general meeting or if the Chair is unable or unwilling to do so some other Member is elected by the Members present in person or by proxy in their personal capacity as a Member and not as proxy for another Member to do so.
- 11.5 Except where otherwise provided by these Articles or the Companies Act, every issue is to be decided by ordinary resolution.
- 11.6 Every Member present in person or by proxy shall have one vote on each issue.
- 11.7 Except where otherwise provided by these 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.
- 11.8 A general meeting may be called by the Trustees at any time and must be called within 21 clear days on a written request to the Chair from at least eight Members.
- 11.9 A technical defect in the appointment, election or co-option of an individual in their capacity as a Trustee, and therefore as 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.

12. Limited Liability

The liability of Members is limited.

13. Guarantee

Every Member promises, if the Board is dissolved while they remain a Member or within one year after they cease to be a Member, to pay up to £10 towards:

- (1) payment of those debts and liabilities of the Board incurred before they ceased to be a Member,
- (2) payment of the costs, charges and expenses of winding up, and
- (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 Board's newsletter or on the Board's website.
- 14.2 The only address at which a Member is entitled to receive notices sent by post is an address in the UK 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 Board'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 Board 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, or
 - (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.
- 15.2 If the Board is dissolved, a final report and statement of account must be sent to the Commission.

16. Interpretation

- 16.1 These Articles are to be interpreted without reference to the model articles for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), which do not apply to the Board.
- 16.2 In these Articles, unless the context indicates another meaning
- 'Articles' means the Board's Articles of Association and 'Article' refers to a particular Article,

'Bishop'	means the Bishop of Leicester or during a vacancy in See another bishop acting under an instrument of delegation made pursuant to section 13 of the Dioceses, Pastoral and Mission Measure 2007 or, failing that, another bishop empowered by law to exercise the Episcopal functions of the Bishop of Leicester,
'Board'	means the company governed by the Articles,
'Chair'	means the Chair of the Board , appointed pursuant to Article 10.1,
'Charities Act'	means the Charities Acts 2011,
'charity trustee'	has the meaning prescribed by the Chanties Act,
'clear day'	does not include the day on which notice is given or the day of the meeting or other event,
'Commission'	means the Charity Commission for England and Wales or any body which replaces it,
'Companies Act'	means the Companies Act 2006,
'Conflicted Trustee'	means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Board, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Board,
'Connected Person'	means, <ul style="list-style-type: none"> (a) in relation to a Trustee, a person with whom the Trustee shares a common interest such that they 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, and. (b) in relation to a Member, 'Connected Person' has the meaning it has in accordance with section 188 of the Charities Act 2011 in relation to a charity trustee,
'Custodian'	means a person or body who undertakes safe custody of assets or of documents or records relating to them,
'DBF'	means The Leicester Diocesan Board of Finance, a company limited by guarantee incorporated in England and Wales with company number 00227087 and registered with the Commission as a charity with number 249100
'DDE'	means the Director of Education of the Diocese appointed in accordance with the Measure,
'Diocese'	means the Diocese of Leicester of the Church of England,

'Diocesan Board of Education'	means that body constituted under the Measure for the relevant diocese and any successor body,
'Diocesan Synod'	means the diocesan synod of the Diocese,
'Education Acts'	has the same meaning as the definition of "Education Acts" contained in section 578 of the Education Act 1996,
'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 Board'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,
'Measure'	means the Diocesan Boards of Education Measure 2021 (as amended from time to time),
'Member' and 'Membership'	refer to company membership of the Board,
'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,
'Objects'	means the objects of the Board as defined in Article 1,
'Scheme'	means the Diocesan Board of Education Scheme made by the Diocesan Synod on 1 January 2022 (as amended from time to time),
'Secretary'	means the company secretary of the Board appointed in accordance with Article 10.2,
'special resolution'	has the meaning given in section 238 of the Companies Act,
'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 Board and 'Trustees' means the directors. The Trustees are charity trustees as defined in the Charities Act,
'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 resolution or a special resolution which is made in writing and in accordance with the provisions of the Companies Acts, and
- 'year' means calendar year
- 16.3 Expressions not otherwise defined which are defined in the Companies Act shall 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.
- 16.5 In the event of a conflict between the terms of these Articles, the Measure and/or the Scheme, the:
- (1) terms of the Measure shall take precedence over the terms of the Scheme;
 - (2) terms of the Scheme shall take precedence over the Articles, provided that
 - (3) no provision of the Measure or Scheme shall take effect if they are contrary to the provisions of the Companies Act and/or the Charities Act, or require the prior approval of the Commission before taking effect.
- 16.6 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.