

MEMORANDUM AND ARTICLES OF ASSOCIATION
of
METHODIST SCHOOLS PROPERTY COMPANY

COMPANY NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

METHODIST SCHOOLS PROPERTY COMPANY

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share each.

Name of each subscriber

Authentication by each subscriber

METHODIST INDEPENDENT SCHOOLS TRUST

Dated: 23 June 2017

Companies Acts 1985 to 2006

Company limited by guarantee

ARTICLES OF ASSOCIATION

of

METHODIST SCHOOLS PROPERTY COMPANY

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1. Objects

1.1 The Objects of the Charity are:

- 1.1.1 the advancement of education in accordance with the Principles of the Methodist Church; and
- 1.1.2 such other charitable purposes of the Methodist Church as the Conference shall from time to time by resolution direct.

2. Powers

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

- 2.1 to hold and administer the lands or other properties of the Schools and to act as holding trustee in respect of the properties of the Associated Schools;
- 2.2 to assist and support the Acquired Schools in relation to their holding of and use of any of their properties;
- 2.3 to establish or support any charitable trusts, associations or institutions for the charitable purposes (or any of them) of any of the Schools or otherwise for such purposes in connection with the charitable objects of the Methodist Church as the Conference shall from time to time by resolution direct;
- 2.4 to provide advice or information;
- 2.5 to carry out research;
- 2.6 to co-operate with other bodies;
- 2.7 to support, administer or set up other charities;
- 2.8 to accept gifts and to raise funds (but not by means of taxable trading);
- 2.9 to borrow money;
- 2.10 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act);
- 2.11 to acquire or hire property of any kind;
- 2.12 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);
- 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:

- 2.15.1 the investment policy is set down in writing for the financial expert by the Trustees;
- 2.15.2 timely reports of all transactions are provided to the Trustees;
- 2.15.3 the performance of the investments is reviewed regularly with the Trustees;
- 2.15.4 the Trustees are entitled to cancel the delegation arrangement at any time;
- 2.15.5 the investment policy and the delegation arrangement are reviewed at least once a year;
- 2.15.6 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
- 2.15.7 the financial expert must not do anything outside the powers of the Charity;
- 2.16 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;
- 2.17 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 Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 2.19 subject to Article 6.3, to employ paid or unpaid agents, staff or advisers;
- 2.20 to enter into contracts to provide services to or on behalf of other bodies;
- 2.21 to establish or acquire subsidiary companies;
- 2.22 to act as a holding trustee and to apply for trust corporation status; and
- 2.23 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 Trustees, when complete, consist of at least five and not more than eight individuals over the age of 18, all of whom must support the Objects and of whom at least one preferably two shall be members of the Methodist Church PROVIDED THAT at least two shall be Independent Trustees.
- 3.3 A person who is willing to act as a Trustee of the Charity and who has signed a written declaration of willingness to act as a charity trustee and is permitted to be so appointed by the law and the Articles, may be appointed to be a Trustee by written notice from MIST to the Charity or by ordinary resolution.
- 3.4 The Trustees shall comprise:

- 3.4.1 up to three trustees of MIST; and
- 3.4.2 not less than two Independent Trustees.
- 3.5 The Trustees shall be appointed for terms of no more than three years and may be reappointed indefinitely.
- 3.6 A Trustee's term of office as such automatically terminates if he/she:
 - 3.6.1 ceases to be a member of the Methodist Church (having been a member of the Methodist Church at the time of his/her appointment) and is requested to resign by the Chair;
 - 3.6.2 ceases to be an Executive Officer of MIST (having been an Executive Officer at the time of her/her appointment);
 - 3.6.3 ceases to be a trustee of MIST (having been a trustee of MIST at the time of her/her appointment);
 - 3.6.4 is removed by written notice from MIST to the Charity;
 - 3.6.5 is disqualified under the Charities Act from acting as a charity trustee;
 - 3.6.6 is incapable of managing his/her own affairs;
 - 3.6.7 is absent without permission from two consecutive meetings of the Trustees and is asked by a majority of the other Trustees to resign;
 - 3.6.8 resigns by written notice to the Trustees (but only if at least two Trustees will remain in office); or
 - 3.6.9 is removed by the Member at a general meeting.
- 3.7 If the number of Trustees falls below the number prescribed in Article 3.2 and MIST does not exercise its power to appoint Trustees within 30 days, the Trustees may co-opt any person duly qualified to be a Trustee for a term of office of one year.
- 3.8 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 one meeting each year.
- 4.2 A quorum at a meeting of the Trustees is at least two Trustees or one half of the Trustees (if greater) provided that at least one Trustee present is an Independent Trustee.
- 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 Chair or (if the Chair is unable or unwilling to do so) the Deputy Chair 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 chair of the meeting has a second or casting vote.
- 4.7 If the Executive Officers of MIST are not trustees they shall otherwise be entitled to attend and speak (but not vote) at meetings of the Trustees but may be required to withdraw from any such meeting at the request of the Chair.
- 4.8 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 appoint a Deputy Chair, 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;
- 5.4 to make rules consistent with the Articles and the Companies Act to govern their proceedings and proceedings of committees;
- 5.5 to make regulations consistent with the Articles and the Companies Act to govern the administration of the Charity and the use of its seal (if any);
- 5.6 to establish procedures to assist the resolution of disputes or differences within the Charity; and
- 5.7 to exercise in their capacity as Trustees any powers of the Charity which are not reserved to the Member or to Conference under these Articles or the Companies Act.

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 Member but subject to compliance with Article 6.4:
- 6.1.1 the Member, Trustees and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity;
- 6.1.2 the Member, Trustees and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and
- 6.1.3 the Member, 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:
- 6.2.1 as mentioned in Articles 6.1 or 6.3;
 - 6.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity;
 - 6.2.3 the benefit of indemnity insurance as permitted by the Charities Act;
 - 6.2.4 an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
 - 6.2.5 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 Member).
- 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 services or services and associated goods in return for a payment or other material benefit but only if:
- 6.3.1 the services or services and associated goods 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;
 - 6.3.2 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
 - 6.3.3 no more 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:
- 6.4.1 declare the nature and extent of his or her interest before discussion begins on the matter;
 - 6.4.2 withdraw from the meeting for that item after providing any information requested by the Trustees;
 - 6.4.3 not be counted in the quorum for that part of the meeting; and
 - 6.4.4 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:

- 6.5.1 continue to participate in discussions leading to the making of a decision and/or to vote;
 - 6.5.2 disclose to a third party information confidential to the Charity;
 - 6.5.3 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
 - 6.5.4 refrain from taking any step required to remove the conflict.
- 6.6 This Article may, subject to Article 14, 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:
- 7.1.1 annual returns;
 - 7.1.2 annual reports; and
 - 7.1.3 annual statements of account.
- 7.2 The Trustees must also keep records of:
- 7.2.1 all proceedings at meetings of the Trustees;
 - 7.2.2 all resolutions in writing;
 - 7.2.3 all reports of committees; and
 - 7.2.4 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 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 Charity's reasonable costs.

8. Membership

- 8.1 The Charity must maintain a register of Members.
- 8.2 The Member shall be MIST.
- 8.3 Membership is not transferable.

9. General Meetings

- 9.1 The Member is entitled to attend general meetings by authorised representative or by proxy (but only if the appointment of a proxy is in writing and notified to the Charity before the commencement of the meeting).
- 9.2 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) setting out the terms of the proposed special resolution.
- 9.3 There is a quorum at a general meeting if the Member is present by authorised representative or by proxy.
- 9.4 The Chair is to act as chair of a general meeting.
- 9.5 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
- 9.6 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.
- 9.7 A general meeting may be called by the Trustees at any time and must be called within 21 days of a written request from the Member.
- 9.8 A technical defect in the appointment of a Member of which the Member is unaware at the time does not invalidate a decision taken at a general meeting or a Written Resolution.

10. Limited Liability

The liability of the Member 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 £1 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 the Member or Trustees under the Articles or the Companies Act may be served -

- 12.1.1 by hand,
- 12.1.2 by post, or
- 12.1.3 by suitable electronic means.

- 12.2 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.
- 12.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- 12.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address,
 - 12.3.2 two clear days after being sent by first class post to that address,
 - 12.3.3 three clear days after being sent by second class or overseas post to that address,
 - 12.3.4 immediately on being handed to the recipient personally,
or, if earlier,
 - 12.3.5 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 for such charitable purposes of the Methodist Church as the Conference shall resolve provided that preference is given by Conference to applying any such assets for the advancement of education in accordance with the Principles of the Methodist Church.
- 13.2 A final report and statement of account must be sent to the Commission.

14. Powers reserved to Conference

- 14.1 The following matters shall require the consent of the Conference whose consent shall be evidenced by a resolution signed by the President of the Conference:
- 14.1.1 any alteration or variation to the Articles of Association;
 - 14.1.2 the consideration of any resolution for the Charity's winding up or seeking the appointment of an administrator (unless the Charity shall have become insolvent); and
- 14.2 Conference may at any time direct by resolution that the properties of the Schools shall instead of being used for the purpose of operating the Schools shall be used otherwise for the advancement of education or otherwise for such purposes in connection with the provision of the charitable objects of the Methodist Church provided that preference is given by Conference to the School properties being used for the advancement of education in accordance with the Principles of the Methodist Church and in the event of such direction being given the Trustees shall give effect to this direction within a reasonable time period.

15. Interpretation and Definitions

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

15.2 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.

Acquired Schools means any schools of which the Charity is a member including the schools described as Acquired Schools in Part 3 of the Schedule hereto as may be amended by the Trustees from time to time.

Associated Schools means the schools described as Associated Schools in Part 2 of the Schedule hereto as may be amended by the Trustees from time to time.

Chair means the chair of the Trustees.

the Charity means the company governed by the Articles.

the Charities Act means the Charities Acts 1992 to 2011.

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.

the Conference means the governing body of the Methodist Church, meeting annually and whose powers and duties are set out in the Standing Orders of the Methodist Church and constituted under and by virtue of the Methodist Church Union Act 1929 and the Deed of Union.

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.

Custodian means a person or body who undertakes safe custody of assets or of documents or records relating to them.

Deputy Chair means such Trustee who from time to time is appointed by the Trustees to act as deputy chair.

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.

Executive Officers means any persons designated by MIST as Executive Officers.

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.

Independent Trustee means a trustee who has no current direct connection with MIST and who is not a current employee, trustee or consultant of MIST.

Material benefit means a benefit, direct or indirect, which may not be financial but has a monetary value.

Member and Membership refer to a member and membership of the Charity.

Month means calendar month.

Methodist Church means the denomination formed under the Methodist Church Union Act 1929.

MIST means the Methodist Independent Schools Trust (Company no. 7649422, charity no. 1142794).

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.

the Objects means the Objects of the Charity as defined in Article 1.

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.

President of the Conference means the person appointed by Conference to be the President from time to time including any temporary or interim person holding the office of President.

Principles of the Methodist Church means the purposes of the Methodist Church as set out in section 4 of the Methodist Church Act 1976 and in accordance with the doctrinal standards of the Methodist Church as set out in Section 2 (4) of the Deed of Union.

Resolution in writing means a written resolution of the Trustees.

Secretary means a company secretary.

the Schools means the schools whose names are set out in Part 1 of the Schedule hereto and as may be amended by resolution of the Trustees from time to time.

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.

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.

- 15.3 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.
- 15.4 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.

Schedule 1 – The Schools, Associated Schools and Acquired Schools

Part 1 – The Schools

Culford School	Bury St Edmunds, Suffolk IP28 6TX
Farringtons School	Chislehurst, Kent BR7 6LR
Kent College, Canterbury	Canterbury, Kent CT2 9DT
Kent College, Pembury	Nr Tunbridge Wells, Ken TN2 4AX
Kingsley School	Bideford, Devon EX39 3LY
Queen's College, Taunton	Taunton, Somerset TA1 4QS
Shebbear College	Shebbear, Devon EX21 5HJ
Truro School	Truro, Cornwall TR1 1TH
Woodhouse Grove School	Apperley Bridge, West Yorkshire BD10 ODR

Part 2 – The Associated Schools

Rydal Penrhos	Colwyn Bay, Clwyd LL29 7BT
Ashville College	Harrogate, North Yorkshire HG2 9JP
Kingswood School	Lansdown, Bath BA1 5RG

Part 3 – The Acquired Schools

Moorlands School	Foxhill Drive, Leeds LS16 5PF
St Petroc's School	40 Ocean View Road, Bude EX23 8NJ
Lorenden Preparatory School	Painter's Forstal, Faversham ME13 0EN
Truro High School	Falmouth Road, Truro TR1 2HU