

THE COMPANIES ACTS 1985 & 1989
COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION

- of -

BULWELL COMMUNITY TOY LIBRARY LIMITED

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles the words in the first column of the Table below shall bear the meaning opposite them in the second column unless they are out of context:

WORDS	MEANINGS
the Act	The Companies Act 1985 including any statutory alteration or re-enactment thereof.
address	means a postal address or for the purposes of electronic communications, a fax number, and e-mail address or a text message number registered in each case with the company.
these Articles	These Articles of Association and the regulations of the Company from time to time in force.
clear days	in relation to the period of a notice means the periods excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
the directors	The directors of the Company (and "director" has a corresponding meaning.)
Month	Calendar Month.
the office	The registered office of the Company.
the secretary	Any person appointed to perform the duties of the secretary of the Company.
the United Kingdom	Great Britain and Northern Ireland.
in writing	includes references to printing, fax, e-mail and other modes of representing or reproducing words in a visible form.

1.2 Singular words shall include the plural and vice versa.

1.3 A "person" or "people" shall include organisations whether unincorporated or incorporated.

1.4 Subject to the above, any words or expressions defined in the Act shall have the same meanings in these Articles unless they are obviously out of context.

2. MEMBERSHIP

2.1 The Members of the Company are:

2.1.1 the subscribers to the Memorandum of Association;

2.2 Every member of the Company shall either:

2.2.1 sign a written consent to become a member; or

2.2.2 sign the register of members on becoming a member.

2.3 Failure to pay any subscription or any other sum due to the Company within six months of it falling due shall result in the disqualification of a member.

2.4 The directors shall have the right for good reason to end the membership of any member provided always that the member shall have a right to be heard before a final decision is made.

2.5 Membership is not transferable and ends on the member's death.

2.6 A member may resign by giving notice in writing to the secretary.

3. GENERAL MEETINGS

3.1 The Company shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place as may be fixed by the Company and the notices calling it shall say that it is the Annual General Meeting, provided that:

3.1.1 the first Annual General Meeting must be called within 18 months of the Company being formed;

3.1.2 every Annual General Meeting except the first shall be held within fifteen months of the previous one.

3.2 If the Company holds its first Annual General Meeting within eighteen months after its incorporation it need not hold another one in the year following incorporation.

3.3 An Extraordinary General Meeting is a General Meeting which is not an Annual General Meeting.

3.4 Extraordinary general meetings may be called:

3.4.1 by the directors whenever they think fit;

3.4.2 by members representing at least 10 per cent of the total voting rights in the Company;

3.4.3 by any director or any member of the Company if at any time there are not enough directors in the United Kingdom to form a quorum.

3.5 Notice must be given to the members directors and auditors of the Company. The notices shall:

3.5.1 give twenty-one clear days' notice in writing at the least for every Annual General Meeting and of every meeting called to pass a Special Resolution;

- 3.5.2 give fourteen clear days' notice in writing at the least for every other General Meeting;
- 3.5.3 state the place, the day and the hour of meeting, and in the case of special business the general nature of that business.
- 3.6 If a meeting of the Company is called by shorter notice than that required by these Articles it will be treated as duly called if it is so agreed:-
 - 3.6.1 in the case of the Annual General Meeting by all the members entitled to attend and vote; and
 - 3.6.2 in the case of any other meeting by a majority of the members entitled to attend and vote at the meeting who also represent at least 95% of the total voting rights of all the members.
- 3.7 The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice will not invalidate any business done at any meeting.

4. PROCEEDINGS AT GENERAL MEETINGS

- 4.1 Ordinary Business at an Annual General Meeting is:
 - 4.1.1 the consideration of the income and expenditure account and balance sheet;
 - 4.1.2 the reports of the directors and the Auditors;
 - 4.1.3 the election of directors in the place of those retiring; and
 - 4.1.4 the appointment of the Auditors;
 - 4.1.5 the fixing of the Auditors' fees.
- 4.2 Special Business is all business done at an Extraordinary General Meeting and all business done at an Annual General Meeting except Ordinary Business.
- 4.3 No business shall be done at any General Meeting unless a quorum of members is present when the meeting starts. A quorum is ten of the members present and voting, but if a quorum is not present half an hour after the General Meeting was due to start, or if during the meeting a quorum ceases to be present, then:
 - 4.3.1 if the meeting was called pursuant to Article 4.3.2 it shall be cancelled;
 - 4.3.2 in any other case it shall be adjourned to the same day in the next week, at the same time and place, or at such other place as the directors may decide.
 - 4.3.3 if a quorum is not present half an hour after the adjourned meeting was due to start the members present shall be a quorum.
- 4.4 The Chair (if any) of the directors shall chair every General Meeting, but if:
 - 4.4.1 there is no Chair, or
 - 4.4.2 the Chair is not present fifteen minutes after the time the meeting was due to start, or
 - 4.4.3 the Chair does not want to preside then the members present and entitled to vote shall choose a director to chair the meeting, but if none of the directors present will take the chair, the members present and entitled to vote shall choose a member of the Company who is present to take the chair.

- 4.5 The Chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time, and from place to place, but:
 - 4.5.1 no business shall be done at any adjourned meeting other than the business left unfinished at the adjourned meeting;
 - 4.5.2 if a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same way as for an original meeting. Otherwise the members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

5. VOTING AT GENERAL MEETINGS

- 5.1 Subject to Article 5.8 every member shall have one vote. The directors may make such arrangements for postal voting as it deems fit. No proxy votes are allowed.
- 5.2 No member shall be entitled to vote at a General Meeting unless all monies owed by that member to the Company have been paid.
- 5.3 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded by:
 - 5.3.1 the Chair; or
 - 5.3.2 three members having the right to vote at the meeting; or
 - 5.3.3 a member or members representing at least one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- 5.4 Unless a poll is demanded a declaration by the Chair of the meeting that a resolution has been carried or lost by a particular majority or unanimously which is entered in the minute book of the Company will be conclusive evidence of the fact.
- 5.5 The demand for a poll may be withdrawn.
- 5.6 Subject to the provisions of Article 5.7, if a poll is demanded under Article 5.3, it will be taken at such time and place and in such a way as the Chair of the meeting shall direct and the result of the poll will be the resolution of the meeting at which the poll was demanded.
- 5.7 No poll shall be demanded on the election of a chair of a meeting, or on any question of adjournment.
- 5.8 If the votes are equal, whether on a show of hands or on a poll, the Chair of the meeting shall be entitled to a second or casting vote.

6. BOARD OF DIRECTORS

- 6.1 The number of directors shall never be less than five and the maximum number shall be determined by a General Meeting but for the time being shall be ten.
- 6.2 The first directors are the people named on the statement delivered to the Registrar of Companies under Section 10 of the Act.
- 6.3 The board shall consist of the Chair, Honorary Secretary, Honorary Treasurer and two persons elected at the Annual General Meeting.

- 6.4 The directors may at any time co-opt up to four persons (who need not be a member of the Company) as directors, either to fill a casual vacancy or by way of addition to their number, provided that the maximum referred to in Article 6.1 is not exceeded. Any member so co-opted shall retain office only until the next Annual General Meeting, but shall then be eligible for re-appointment.
- 6.5 The directors shall have the power to:
- 6.5.1 manage the business of the Company and pay expenses incurred in the promotion and formation of the Company as they think fit;
- 6.5.2 exercise all the powers of the Company which are not required by the Act, or these Articles, or any regulation made by the Company in General Meeting to be exercised by the Company in General Meeting;
- 6.5.3 no regulation shall invalidate any act of the directors done before the requirement is made which would have been valid if that regulation had not been made.
- 6.6 The directors may act even if there are vacancies but if the number of directors reduced to less than the minimum number referred to in Article 6.1 they can only act for the purposes of:
- 6.6.1 admitting persons to membership of the Company; or
- 6.6.2 filling up vacancies in their body; or
- 6.6.3 summoning a General Meeting.
- 6.7 All cheques and other negotiable instruments and all receipts for money paid to the Company shall be signed or otherwise made in such a way as the directors shall decide.
- 6.8 The directors shall arrange for minutes to be made:
- 6.8.1 of all appointments of officers;
- 6.8.2 of the names of the directors present at each directors meeting;
- 6.8.3 of all resolutions and proceedings at all meetings of the Company, and of the directors, including the names of the directors present at each such meeting.
- 6.8.4 The minutes of any meeting, if they are signed by the Chair of the meeting (or by the Chair of the following meeting), will be conclusive evidence of the facts stated in the minutes.

7. DISQUALIFICATION OF DIRECTORS

- 7.1 The office of director shall be vacated if a director:
- 7.1.1 ceases to be a director by virtue of any provision in the Act or is disqualified by law from acting as a director; or
- 7.1.2 becomes unable by reason of mental disorder illness or injury to manage and administer the director's own property and affairs; or
- 7.1.3 is directly or indirectly involved in any contract with the Company and fails to declare the nature of the director's interest by giving notice at the first meeting at which the contract is discussed or at the first meeting after the director becomes involved in the contract; or

- 7.1.4 resigns by notice in writing to the Company; or
- 7.1.5 is removed from office by a resolution duly passed pursuant to Section 303 of the Act; or
- 7.1.6 fails without reasonable excuse to attend three consecutive meetings of the directors; or
- 7.1.7 is felt by a two thirds majority of directors present at a specially convened meeting that the director concerned is acting in such a way as either to be against the best interests of the Company or which might damage the Company's reputation.

8. ROTATION OF DIRECTORS

- 8.1 At the first Annual General Meeting and at each following Annual General Meeting one-third of the directors for the time being (or if their number is not a multiple of three then the number nearest to one-third) shall retire from office.
- 8.2 The directors to retire shall be those who have been longest in office since their last election or appointment. As between directors of equal seniority the directors to retire shall be selected by lot unless they agree otherwise. A retiring director shall be eligible for re-election.
- 8.3 The Company may in General Meeting increase the number of directors, and decide in what rotation the additional directors shall retire, and may make the appointments necessary for effecting any such increase.

9. PROCEEDINGS OF THE DIRECTORS

- 9.1 The directors may:
 - 9.1.1 meet together to do the Company's business;
 - 9.1.2 adjourn and otherwise regulate their meetings as they think;
 - 9.1.3 hold directors' meetings either in person or by suitable electronic means agreed between the directors in which all participants may communicate simultaneously with all other participants;
 - 9.1.4 determine the quorum necessary for the transaction of business, provided that the quorum for meetings of the directors shall never be less than six.
- 9.2 Questions arising at any meeting shall be decided by a majority of votes. Each director shall have one vote. If the votes are equal the Chair shall have a second or casting vote.
- 9.3 Any three directors may (and on such request the secretary will) call a meeting of the directors by notice served upon the directors. A director whose address in the register of directors is outside the United Kingdom shall not be entitled to notice of a meeting unless that director has given the Company an address in the United Kingdom at which notices can be served.
- 9.4 The directors may:
 - 9.4.1 elect a Chair who shall be entitled to chair all meetings of the directors at which the Chair shall be present;
 - 9.4.2 determine how long the Chair will hold office;

- 9.4.3 choose one of their number to chair the meeting if:
- 9.4.3.1 the Chair is not present within fifteen minutes after the time appointed for holding the meeting;
or
- 9.4.3.2 the Chair does not want to preside.
- 9.5 A meeting of the directors at which a quorum is present can exercise all the powers which all the directors have.
- 9.6 The directors may delegate any of their powers to sub-committees consisting of such directors and others as they think fit, and any committee so formed shall:
- 9.6.1 observe any regulations imposed on it by the directors; and
- 9.6.2 conduct its meetings in accordance with these Articles so far as applicable; and
- 9.6.3 report to the directors on any decisions taken as soon as possible; and
- 9.6.4 not exceed any budget which has been approved in advance by the directors.
- 9.6.5 All acts done in good faith by any meeting of the directors or by any committee of the directors, or by any person acting as a director, shall be valid even if:
- 9.6.5.1 it is later found that the appointment or continuance in office of any director was faulty; or
- 9.6.5.2 they or any of them were disqualified from holding office or had retired.

10. SECRETARY

- 10.1 The secretary shall be appointed and removed by the directors on such terms and conditions as they may think fit, and the provisions of Section 283 of the Act shall apply and be observed.
- 10.2 The directors may from time to time by resolution appoint an assistant or deputy secretary, and any person so appointed may act in place of the secretary if there be no secretary or no secretary capable of acting.
- 10.3 No director shall occupy the salaried position of secretary.
- 10.4 A director who is also the secretary cannot sign a document in both capacities.

11. COMPANY ACCOUNTS AND ANNUAL RETURN

- 11.1 The directors shall comply with their duties under the Act to maintain accounting records and prepare accounts and an Annual Return and to send them to the Registrar of Companies.

12. CHARITIES ACT ANNUAL REPORT AND RETURN

- 12.1 The directors shall comply with their obligations under the Charities Acts regarding the preparation an annual report and an annual return and to send them to the Charity Commissioners.

13. NOTICES

13.1 Notices given under these Articles shall either be:

13.1.1 in writing; or

13.1.2 by an electronic communication.

13.2 The Company may give any notice to a Company member either:

(a) personally; or

(b) by leaving it at his or her registered address; or

(c) by sending it by prepaid post; or

(d) by an electronic communication to an address duly notified by the person concerned.

13.3 Notice of every General Meeting shall be given in any authorised manner to:

(a) every Company member or Director except those members who have not supplied to the Company an address for giving of notices to them; and

(b) the auditor for the time being of the Company.

No other person shall be entitled to receive notices of General Meetings.

13.4 A Company member or Director present in person at any meeting of the Company shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.

13.5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after either the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

14. RULES

14.1 The directors may from time to time make such rules as they may think fit for the proper conduct and management of the Company provided no rule is inconsistent with or shall affect or repeal anything in these Articles.

15. INDEMNITY

15.1 Subject to the provisions of the Act, and without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by that person:

15.1.1 in defending any civil or criminal proceedings in which judgement is given in that person's favour or which results in acquittal; or

15.1.2 in connection with any application in which relief is granted to that person by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

16. WINDING UP

16.1 Clause 8 of the Memorandum of Association [Note: see also Clause 22 below] relating to the winding up and dissolution of the Company shall have effect as if it was set out in full in these Articles.

17. OBJECTS

17.1 The objects for which the Company is formed shall be to advance the education and development of children by the provision of childcare and play related services and equipment and educating parents as to the importance of play.

18. POWERS

18.1 The Company will have the following powers which can only be exercised in furtherance of its objects:

18.1.1 to assist the development from the earliest age of all local children through all forms of play;

18.1.2 to provide the best available toys and other resources for play;

18.1.3 to provide the opportunity and professional involvement in a voluntary service for local children;

18.1.4 to liaise and work with other charitable institutions, voluntary agencies or organisations having similar aims and statutory bodies to encourage the provision and development of appropriate support and services;

18.1.5 to carry on primary purpose trading;

18.1.6 to seek donations or gifts for the Company by personal or written appeals, public events and other ways;

18.1.7 to affiliate to, merge with or enter into any partnership or joint venture any charitable institution having similar objects;

18.1.8 to collect information about issues relevant to the purposes of the company and make it available to interested people and organisations;

18.1.9 to establish a reserves policy;

18.1.10 to write create and/or publish text or material using any available medium;

18.1.11 to operate bank or other accounts in the name of the Company;

18.1.12 to employ staff, agents or consultants and to make provision for their proper payment including any reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their dependants the Company may employ or remunerate a director only as permitted under Clause 5 of the Memorandum [Note: see also Clause 19 below];

18.1.13 subject to such consents as may be required by law

(a) to purchase, take on lease or in exchange, hire or otherwise acquire any property, assets, rights or privileges, and to construct, maintain and alter any buildings or works;

(b) to sell, let, licence, mortgage or dispose of all or any of the property or assets of the Company;

- (c) to carry out any charitable trusts which may lawfully be done by the Company;
 - (d) to borrow or raise money for the purposes of the Company on such terms and on such security as it shall think fit;
 - (e) to lend money on such terms and subject to such security as may be thought fit;
 - (f) to invest the monies of the Company not immediately required for its purposes in any way as it shall think fit and to take professional investment advice where necessary;
- 18.1.14 to insure the directors against the costs of a successful defence to a criminal prosecution brought against them as directors and charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the director concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;
- 18.1.15 to establish and support or help in the establishment and support of any charitable organisation and to subscribe or guarantee money for charitable purposes;
- 18.1.16 to insure and arrange insurance cover to indemnify its officers servants voluntary workers and members from and against all such risks as it shall think fit;
- 18.1.17 to establish local branches elsewhere in the United Kingdom;
- 18.1.18 to pay out of the funds of the Company the costs of forming and registering the company as both a company and a charity; and
- 18.1.19 to do all other lawful things as shall further any or all of the above objects.

19. RESTRICTIONS ON DISTRIBUTIONS

- 19.1 The income and property of the Company shall be applied towards achieving the objects of the Company. No part shall be paid or transferred directly or indirectly to the members of the Company and, subject as below, no director shall be appointed to any office of the Company paid by salary or fees or receive any payment or other financial benefit from the Company.
- 19.2 Nothing in this Clause 5 [Note: see also this Clause 19] shall prevent the payment in good faith by the Company:
- 19.2.1 of reasonable and proper payment for any services rendered to the Company by any member, director, officer or employee of the Company; or
- 19.2.2 the usual professional charges for business done by any director who is a solicitor, accountant or other person engaged in a profession, or by any partner of that director, when instructed by the Company to act in a professional capacity on its behalf

provided that:

- (a) only a minority of the directors shall benefit from this provision; and
- (b) the director concerned shall not be considered when calculating the quorum for the relevant meeting; and

- (c) a director shall withdraw from any meeting at which that director's appointment or payment, or performance in the employment of the contract or that of any partner of that director, is being discussed.
- (d) the other directors are satisfied that it is in the interests of the company to employ or to contract with that director rather than with someone who is not a director and shall note the reasons for their decision in the minute book.

19.2.3 of reasonable rate of interest on money lent to the Company;

19.2.4 of reasonable rent for premises let or licensed to the Company;

19.2.5 of money or money's worth to a company of which a director is a member, but not if that director owns more than one hundredth of the issued capital of that company;

19.2.6 of reasonable and proper out-of-pocket expenses to any director;

19.2.7 of the provision of indemnity insurance referred to in clause 4.1.14 [Note: see also Clause 18.1.14 above].

20. LIMITATION OF LIABILITY

20.1 The liability of the members is limited.

21. GUARANTEE

21.1 If the Company is wound up while a person is a member, or within one year after that person ceases to be a member, that person undertakes to contribute such amount as may be required (not exceeding £1) for

21.1.1 payment of the debts and liabilities of the Company contracted before that person ceases to be a member, and of the costs, charges and expenses of winding up, and

21.1.2 the adjustment among themselves of the rights of those contributing to the debts and liabilities.

22. WINDING UP

22.1 If the Company is wound up and any assets are left after all its debts and liabilities have been satisfied these assets will not be distributed among the members of the Company. Instead, they will be given to some other charity or charities with similar objects to the Company and whose governing document forbids the distribution of income and property to at least the same extent as is set out in Clause 5 of this Memorandum [Note: see also Clause 19 above]. The charity or charities will be determined by the members of the Company at or before the time of winding up, failing which the assets will be given to some other charitable object.

