

All Previous Rules Rescinded

# Wortley Hall



Rules 2009

# Co-operative Values and Principles

## Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

## Values

Co-operatives are based on the values of self help, self responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

## Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

### **1<sup>st</sup> principle: voluntary and open membership**

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political, or religious discrimination.

### **2<sup>nd</sup> principle: democratic member control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member one vote), and co-operatives at other levels are also organised in a democratic manner.

### **3<sup>rd</sup> principle: member economic participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### **4<sup>th</sup> principle: autonomy and independence**

Co-operatives are autonomous, self help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### **5<sup>th</sup> principle: education, training and information**

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

### **6<sup>th</sup> principle: co-operation among co-operatives**

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

### **7<sup>th</sup> principle: concern for community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

*Approved at the ICA (International Co-operative Alliance) Congress, Manchester, September 1995.*

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## **CHAPTER 1 – What the Society is established for**

### **1 Name**

- 1.1 The name of the Society is Wortley Hall Limited and it is called “the Society” in these rules.

### **2 Purpose**

- 2.1 The purpose of the Society is to carry out its objectives and functions as a co-operative.

### **3 Values and Principles**

- 3.1 In conducting its affairs, the Society is committed to;
- (a) following the Co-operative Values and Principles;
  - (b) respecting the rights and diversity of its members, employees and people dealing with the Society, treating them fairly and not discriminating on any grounds.
  - (c) Conducting its business in an open and honest way.
- 3.2 The net profits of the Society's business shall be used in accordance with the Co-operative Principles.
- 3.3 The Society shall be a member of Co-operatives UK Limited.

### **4 Objects**

- 4.1 The objectives of the Society are, in accordance with its purpose.
- (a) to carry out all the business necessary for the provision of residential facilities for education/training, recreation and holidays, including the sale or supply of intoxicating liquor of all descriptions, and of providing halls and other suitable rooms and open spaces for public and private meetings, conferences, entertainment, exhibitions, rallies, seminars, organised functions, sports, etc: and to seek the co-operation of all educational organisations in the promotion of any or all forms of education that are appropriate to members of the Co-operative, Labour and Trade Union Movements.
  - (b) to engage, as principles or agents, in any other business, trade, industry or activity which seems to the Society directly or indirectly conducive to carrying out the functions above.

## **CHAPTER 2 – Membership**

**Within these rules, any reference to member / membership relates to share ownership.**

### **5 Membership**

- 5.1 The Society consists of the present members and such other individuals and such bodies as shall be admitted to membership by the Management Board and subject to admission as aforesaid may include any organisation connected or associated with the broad Trade Union, Socialist, Co-operative, Labour and Working Class Movements, Workers' Welfare, Sports, Social, Recreational Clubs and Institutes and Education Associations.
- 5.2 Membership is open to any person and any Organisation who completes the membership application form specified by the Management Board (which shall include an application for at least one share and a total investment in shares of any individual member except a member organisation shall not exceed £200) and whose application is accepted by the Board. Where an organisation holds shares, if the organisation is merged or transferred to another body the organisation may apply to have those shares transferred to the new body.
- 5.3 Any member changing their address shall give notice to the Political Secretary, and the necessary alterations shall be made in the register of members.
- 5.4 The Board has an absolute discretion to accept or refuse any membership application, does not have to give reasons for its decision, and may take into consideration (amongst other things) the applicant's likely participation in the Society's business and affairs, and their support for the Co-operative Values and Principles. The Board may delegate responsibility for deciding membership applications to the Political Secretary and, under their supervision, to other employees. Any such decision shall be made in accordance with the Society's membership policy.

### **6 Termination of membership**

- 6.1 A member shall cease to be a member if;
- (a) they withdraw from membership by giving at least one month's written notice to the Secretary, and withdraw their shares under these rules;
  - (b) they are expelled or cease to be entitled to be a member of the Society under these rules;
  - (c) they are removed from the register of members by the Secretary in accordance with the Maintenance of Register provisions in these rules;
  - (d) they die, if an individual person or cease to exist if a corporate body.
- 6.2 A member may be expelled by a resolution of the Board approved by not less than two thirds of those attending and voting at a meeting. The following procedure is to be adopted:
- (a) Any member may complain to the Secretary that another member has acted in a way detrimental to the interests of the Society.
  - (b) If a complaint is made, the Board may itself consider the complaint having taken such steps as it considers appropriate to ensure that each members' point of view is heard and may:

- (i) dismiss the complaint and take no further action; or
  - (ii) for a period not exceeding twelve months suspend the rights of the member complained of to attend Shareholders meetings and vote under these rules; or
  - (iii) arrange for a resolution to expel the member complained of to be considered at a future meeting of the Board.
- (c) If a resolution to expel a member is to be considered at a meeting of the Board, details of the complaint must be sent to the member complained of not less than one calendar month before the meeting with an invitation to answer the complaint and attend the meeting.
  - (d) At the meeting, the Board will consider evidence in support of the complaint and such evidence as the member complained of may wish to place before them.
  - (e) If the member complained of fails to attend the meeting without good reason the meeting may proceed in their absence.
  - (f) A person expelled from membership will cease to be a member upon the declaration by the Chair of the meeting that the resolution to expel them is carried.
  - (g) The Society will pay to such person the amount standing to their credit in the share ledgers of the Society and cancel their shares.
  - (h) No person who has been expelled from membership is to be readmitted as a member except by a resolution carried by the votes of two thirds of the votes cast at a Shareholders meeting.

## **7 Shares**

- 7.1 The capital of the Society shall be held in shares of five pounds each which shall be fully paid up, and which shall be withdraw able only and not transferable other than to Wortley Hall. The shares shall be free of interest.
- 7.2 Every member shall hold at least one fully paid up share, and all shares shall be paid for in full on application.
- 7.3 The Society shall allot to members when they are admitted the share or shares for which they have applied, and after that shall allot any further share or shares applied for but nobody shall be allotted shares which will cause them to hold more than the maximum number of shares permitted by the Industrial and Provident Societies Acts.
- 7.4 Subject to other provisions of this rule below and the minimum shareholding requirements under these rules, shares may be withdrawn by members upon giving one week's notice to the Society: Provided that;
  - (a) all withdrawals shall be paid in the order in which the notices were received by the Society;
  - (b) the Board may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit
  - (c) unless the Board agrees, not more than one tenth of the paid up share capital at 1<sup>st</sup> January in each year (including all sums under notice of withdrawal at that date) shall be withdraw able during that calendar year;

- (d) unless the Board agrees, no member shall be entitled to withdraw during any year more than one tenth of the share capital standing to their credit on 1<sup>st</sup> January of that year, unless the member withdraws from membership of the Society;
- (e) the right to withdraw may, by resolution of the Board, be suspended either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Board. Where the suspension is for a fixed period such period may be extended from time to time by a resolution of the Board.
- (f) during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board so determines, be withdrawn by their legal personal representative upon giving such notice as the Board may require and subject as regards the amount payable on withdrawal to such deduction as the Board may from time to time determine.

7.5 Subject always to the provisions of the Industrial and Provident Societies Act 1965 dealing with the nomination of property (all of which shall apply), the following provisions shall apply.

- (a) A member may nominate any person or persons to whom any of their property in the Society at the time of their death shall be transferred.
- (b) On receiving satisfactory proof of death of a member who has made a nomination the Board shall, if and to the extent that the nomination is valid, either transfer or pay the full value of the property comprised in the nomination to the person entitled to it.
- (c) Upon a claim being made by the personal legal representative of a deceased member or the trustees in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Board shall transfer or pay such property to which the personal legal representative or trustees in bankruptcy has become entitled as the personal legal representative or trustee in bankruptcy may direct them.

## CHAPTER 3 – How the Society is organised

### 8 Organisation

8.1 The Society comprises the following:

- (a) Members
- (b) the Management Board
- (c) the Political Secretary
- (d) the Management Team, including the General Manager

8.2 The affairs of the Society shall be conducted by a Management Board of twelve, including the elected President, the Political Secretary, plus the Chief Officer (General Manager) acting ex officio.

8.3 Members of the Management Board will serve for two years.

The President and five members shall be elected one year.

The Political Secretary and five members shall be elected the following year.

Provided valid nominations are received at least four of the Management Board shall be women.

8.4 The Chief Officer (General Manager) shall be appointed by the Management Board, shall be responsible to the Management Board, and for the day to day management of the Society's business and for the presentation to the Management Board of relevant information to monitor the progress and plan the development of the Society's business.

8.5 The Chief Officer (General Manager) and members of the Management Team are responsible for conducting the day to day business of the Society and shall do so in accordance with these rules.

8.6 A Political Secretary (part time) will be elected by the Annual Meeting to serve for a period of two years. The Political Secretary shall work with the Chief Officer (General Manager) and the Management Board on Trade Union and democratic business shall attend all meetings and be responsible for the organising of meetings. The Political Secretary shall act as returning officer for elections, making all necessary entries in all registers required by these rules or the Industrial and Provident Societies Acts to be kept by the Society. The terms and conditions of service shall be determined by the Management Board.

8.7 The office of the Political Secretary shall not be held by the person who for the time being holds the office of General Manager to the Society.

## **Board**

### **8.8 The Board has the following responsibilities**

The Management Board shall meet at least monthly and a quorum shall be six. At its first meeting the Management Board shall elect from its number, two Vice Presidents (one of whom shall be a woman) and such other officers and sub committees as is deemed necessary.

- (a) to ensure that the Society's affairs are conducted in accordance with these Rules, the best interests of the Society and its members and in accordance with the Co-operative Values and Principles;
- (b) to determine the strategy and policy of the Society in consultation with the General Manager and the Management Team;
- (c) to oversee the work of the General Manager and the Management Team in the day to day management of the business of the Society.

### **8.9 The Board has the following rights and powers;**

- (a) subject to what the Industrial and Provident Societies Acts 1965 to 2002 and these Rules say, the Board
  - (i) may exercise all the powers of the Society;
  - (ii) determines the composition of the Management Team;
  - (iii) appoints, removes and fixes the remuneration and terms of employment of the General Manager;
  - (iv) approves the appointment and removal by the General Manager of other members of the Management Team;
  - (v) approves the use of the Society's seal if it has one.

- 8.10 Any member of the Management Board failing to attend four consecutive meetings of the Management Board shall be deemed to have resigned (except where the Management Board has been informed and has accepted the reason for absence) and the vacancy shall be filled at the next Annual Meeting.

Elected members of the Management Board, elected President and Political Secretary may be removed by resolution of a Special or Annual Meeting.

Only individual Shareholders of the Society shall be eligible for election to the Management Board, elected President or Political Secretary and members who are representatives of member organisations shall not be eligible unless they are also individual shareholders.

## CHAPTER 4 – Shareholders’ Meetings

### 9 Meetings

- 9.1 Meetings of members of the Society are either ordinary meetings or special meetings.
- 9.2 The Annual Shareholders’ Meeting shall normally be held on the second Sunday in March each year at Wortley Hall commencing at 3.00pm. At least three months notice shall be given of each meeting, in writing to all members and organisations. Any member having a proposition to submit shall send the same in writing to be received by the Political Secretary not later than eight weeks before the date of the meeting; which shall be notified to members in such a manner as the Management Board determines. Any amendments to the business of the meeting shall be submitted in writing to be received by the Political Secretary not later than three weeks before the date of the meeting.

A Shareholders’ meeting will take place four times per year (on the last Sunday in January, April, July and October). The Shareholders will receive a detailed report on Management Board decisions and business matters, relating to the previous three months. The Shareholders will be able to question the President, Political Secretary and General Manager on the report and will be able to make recommendations to the Management Board for their consideration. The Quorum for the meeting will be 15 Shareholders. Members of the Management Board will attend meetings ex officio.

#### Business of Annual Shareholders’ Meetings

- 9.3 The meeting may transact the following business;
- (a) consideration of the accounts, balance sheets, and the reports of the Board and the auditor and the application of the profits;
  - (b) the election of the election of officers,
  - (c) the appointment of the auditor;
  - (d) any motion of which at least eight weeks written notice has been given to the Political Secretary by a member. The Board has the discretion not to include such a motion if in its and the Presidents’ reasonable opinion:
    - (i) it seeks to intervene in the exercise of their powers under these rules by the Board, the Management Team, the Political Secretary or any authorised committee or sub-committee of the Society; or
    - (ii) the publicity for it would be likely to diminish substantially the confidence in the Society of investing members of the public; or
    - (iii) it seeks needless publicity for defamatory matters; or
    - (iv) it is submitted for frivolous or vexatious purposes; or
    - (v) it does not relate directly to the affairs of the Society; or
    - (vi) it is in substantially the same terms as any motion which has been defeated at any meeting of the Society held during the preceding two years.

Any amendments to the business of the meeting shall be submitted in writing to be received by the Political Secretary not later than three weeks before the date of the meeting.

- 9.4 A Special Shareholders' Meeting shall not transact any business not specified in the notice convening it. An ordinary meeting may be made a Special Shareholders' Meeting for any purpose of which due notice has been given, provided that such business is not brought on until the business of the ordinary meeting is concluded. A Special Shareholder' meeting shall be convened either by order of the Management Board or upon a written requisition signed by 30 shareholders.

#### **Attending and voting at Meetings**

- 9.5 Every individual shareholder is entitled to one vote on attendance at each meeting.
- 9.6 A delegate producing appropriate credentials is entitled to one vote and may only represent one organisation at each meeting.
- 9.7 At any Shareholders' Meeting a resolution put to the vote shall be decided on a show of hands unless a ballot is demanded by the Board, or by ten members present at the meeting. The ballot shall be taken at the meeting in such manner as the chairman of the meeting directs. Subject to any special provision contained in these rules or an Act of Parliament all resolutions shall be carried by a simple majority of votes (with the exception of challenges to the chair which require a two thirds majority). In the event of an equality of votes the Chair of the meeting shall have a second or casting vote.

#### **Procedure at Shareholders' Meetings**

- 9.8 The Chair of the Board, or in their absence another member of the Board, shall chair a Shareholders' Meeting. If no member of the Board is present, such member as the meeting may determine shall chair the meeting.
- 9.9 Any properly constituted meeting may adjourn to such place, time, and day within 30 days as the members present direct, and may continue any such adjournment from time to time. No business shall be transacted at any adjourned meeting which could not have been transacted at the meeting from which the adjournment took place; and the same notice shall be given of any meeting adjourned for more than 14 days, as is required in the case of an original meeting.
- 9.10 Standing Orders for the conduct of Shareholders Meetings and for the closure of business may be made by the Board and subject to any resolution passed at an ordinary meeting such Standing Orders shall be binding on all members and their representatives.

## **CHAPTER 5 – Disclosure of interest**

### **10 Disclosure of Interest**

- 10.1 Any Management Board member who has a material interest in a matter as defined below shall declare such interest to the Management Board and:
- (a) may not be present in any discussion of the matter unless a majority of the Board agrees to their presence, but
  - (b) shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).
- 10.2 Details of any such interest shall be recorded by the Political Secretary in the minutes of the meeting.
- 10.3 Any Management Board Member who fails to disclose any interest required to be disclosed under the preceding paragraph must permanently vacate their office if required to do so by a majority of the remaining Board.
- 10.4 A material interest in a matter is any interest in any transaction or act or proposed transaction or act of the Society and any office or position (save for the exceptions referred to below) held by a Management Board Member or their spouse or partner in any firm or company or business in which, is involved in a transaction or proposed transaction with the Society.

### **Remuneration and protection of Management Board and Management Team**

- 10.5 The members of the Society shall from time to time fix the remuneration of the Board Members, who shall in addition be re-imbursed their reasonable travel, hotel and out of pocket expenses wholly and necessarily incurred on Society business at such rates as may be determined from time to time by the Remuneration Committee.
- 10.6 Anything done in good faith by any meeting of the Board or by the General Manager, Political Secretary or any member of the Management Board shall be valid., notwithstanding that it is afterwards discovered that there was any defect in the appointment of any of them, or that any one or more of them were disqualified, and shall be as valid as if every Board Member and the General Manager and the Political Secretary and every Member of the Management Team had been duly appointed and was duly qualified to serve.
- 10.7 Separate from any other indemnity to which they may be entitled, and subject to what is said in the rest of this rule, every Board Member, the General Manager, the Political Secretary and every member of the Management Team shall be indemnified out of the funds and assets of the Society against the following; all actions, claims, costs, demands and expenses and any personal liability whatsoever, whether civil or criminal, arising out of or in connection with the exercise or purported exercise of their duties of their duties on behalf of the Society.
- 10.8 This indemnity excludes liability for offences incurred under section 62 of the Industrial and Provident Societies Act 1965, and liability for wilful default, fraud or dishonesty. No person shall be indemnified against costs or expenses recovered from them by order of the Financial Services Authority.

- 10.9 The Society is authorised to purchase and maintain insurance for the purpose of:
- (a) indemnifying the Board Members and officers (General Manager, Political Secretary and members of the Management Team) of the Society against any liability which they or any of them might incur, in respect of negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Society, and indemnifying the Society itself as reimbursement for indemnity actually and lawfully provided to its Board Members and officers under the first paragraph of this rule.
- 10.10 In this rule "partner" means in relation to another person, a member of the same household living together as a family unit.

## **CHAPTER 6 – Register of Shareholders**

### **11 Register of Members**

- 11.1 The Society shall keep at its registered office a register of members in which the Political Secretary shall enter the following information;
- (a) the names and addresses of shareholders;\*
  - (b) a statement of the number of shares held by each member, of the amount paid, or agreed to be considered as paid, on the shares of each member;
  - (c) the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member;\*
  - (d) the names and addresses of the Management Board, and the Political Secretary, with the offices held by them respectively, and the dates on which they assumed office.\*
- 11.2 The register shall be kept in such a way that it is open for inspection as required by the Industrial and Provident Societies Act 1965 disclosing only the information in those sub-paragraphs above marked by an asterisk (\*).

#### **Right of Inspection**

- 11.3 Any member or person having an interest in the funds of the Society may inspect their own account and the books containing the names of the members, including the information referred to above in the register of members, at all reasonable hours at the registered office or at any place where they are kept. This right of inspection is subject to any regulations about the time and manner of inspection which may be made by the members of the Society in a meeting.

#### **Updating the Register of Members**

- 11.4 The Political Secretary may remove members from the register of members, in the following circumstances.

#### **Lost Contact**

- 11.5 Where the Society has evidence that a member no longer lives at the address shown in its register of members ('registered address'), then subject to carrying out the following procedures, the Political Secretary may remove the name of such member from the register of members, and the Society may then cancel their shares and forfeit to the Society the amount outstanding to the credit of such member in the share ledger of the Society, together with any sum of money representing interest or dividend to the member in the books of the Society in respect of their shares (together referred to as 'credit accounts').
- 11.6 The procedures are as follows,
- (a) The Political Secretary shall take all reasonable steps to establish whether there is a forwarding address, and if there is one, to contact the member at the forwarding address.

- (b) The Political Secretary shall cause advertisements to be posted conspicuously in all places of business of the Society to which members have access, giving the following information:
  - (i) advising that the Society intends after a notice period of not less than two calendar months to revise its register of members to remove those members no longer living at their registered address;
  - (ii) advising that any credit accounts of such members can be claimed within two years;
  - (iii) providing postal, telephone and web site contact details for any person wishing to update their registered address, or to withdraw from membership of the Society and claim the funds contained in any credit account.
  
- (c) At the end of the notice period, the Political Secretary shall cause the register of members to be revised by removing those members no longer living at their registered address, cancelling their shares and transferring any credit accounts of any such members to a suspense account within the books of the Society.
  
- (d) At the end of a period of two years, commencing with the date upon which any credit accounts have been transferred to a suspense account, any such credit accounts that remain unclaimed shall be forfeited to the Society.
  
- (e) No credit account containing more than £10 shall be capable of forfeiture under this clause of the rule.

#### **Insufficient share account balance**

11.7 If a member has not throughout the immediately preceding period of twelve calendar months maintained a balance in their share account of at least £5, then subject to carrying out the following procedures, the Political Secretary may remove the name of such member from the register of members, and the Society may cancel their shares and forfeit to the Society the amount standing to the credit of such member in the share ledgers of the Society together with any sum of money representing interest or dividend credited to the member in the books of the Society in respect of their shares.

#### **11.8 The procedures are as follows.**

- (a) The Society shall give not less than two calendar months notice to the member stating that it is proposed to cancel their share and specifying the sums to be forfeited to the Society.
- (b) Unless the member shall within the period of notice increase the share balance in their share account to £5, the Society shall cancel and forfeit their share.
- (c) A notice under the provisions of this clause may be sent to the member by pre-paid ordinary letter post at their registered or last known address and shall include a statement to the effect that if the member objects to the cancellation and forfeiture of their share and wishes to remain a member of the Society, they should within two calendar months increase the balance on their account to £5.

## CHAPTER 7 – Audit

### 12 Auditor

- 12.1 There shall be appointed in each year of account a qualified auditor to audit the Society's accounts and balance sheet for that year. In this rule "qualified auditor" means a person who is a qualified auditor under Section 7 of the Friendly and Industrial and Provident Societies Act 1968, as amended by the Companies Act 1989 (Eligibility for Appointment as Company Auditor) (Consequential Amendments) Regulations 1991.
- 12.2 None of the following persons shall be appointed as auditor of the Society;
- (a) an officer or employee of the Society;
  - (b) a person who is a partner of or in the employment of or who employs an officer or employee of the Society.
- 12.3 At least every ten years, the Society shall offer the opportunity of appointment as auditor to other qualified persons.
- 12.4 Except as provided below every appointment of an auditor shall be made by resolution of a Shareholders' Meeting of the Society.
- 12.5 The first appointment of an auditor shall be made within 3 calendar months of the registration of the Society and shall be made by the Board if no meeting of the members of the Society is held within time. The Board may appoint an auditor to fill any casual vacancy occurring between meetings of members of the Society.
- 12.6 An auditor appointed to audit the accounts and balance sheet of the Society for the preceding year of account (whether by a members' meeting or by the Board) shall be reappointed as auditor of the Society for the current year of account (whether or not any resolution expressly reappointing them has been passed) unless;
- (a) a resolution has been passed at a Members' Meeting of the Society appointing somebody instead of them or providing expressly that they shall not be reappointed, or
  - (b) they have given to the Society notice in writing of their unwillingness to be reappointed, or
  - (c) they are not a qualified auditor or are a person prohibited from appointment under these Rules, or
  - (d) they have ceased to act as auditor of the Society by reason of incapacity.
- 12.7 A retiring auditor shall not be automatically reappointed if notice of an intended resolution to appoint another person in their place has been given in accordance with these Rules and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is a person prohibited from appointment by these Rules.

- 12.8 A resolution at Shareholders' Meeting of the Society:
- (a) appointing another person as auditor in place of a retiring auditor; or
  - (f) providing expressly that a retiring auditor shall not be reappointed shall not be effective unless notice of the intention to move it has been given to the Society not less than 28 days before the meeting at which it is to be moved. On receipt by the Society of notice of such an intended resolution, the Society shall immediately send a copy of the notice to the retiring auditor, if it practicable to do so, the Society shall give notice to its members of the intended resolution at the same time and in the same way as it gives notice in accordance with these Rules of the meeting at which the resolution is to be moved. If that is not practicable, the Society shall give notice to its members by advertisement, not less than 14 clear days before the meeting, in a newspaper circulating in the area in which the Society conducts its business. Where the retiring auditor makes any representations in writing to the Society that he intends to make such representations the Society shall notify the members accordingly as required by Section 6 of the Friendly and Industrial and Provident Societies Act, 1968.
- 12.9 The auditor shall in accordance with Section 9 of the Friendly and Industrial Provident Societies Act, 1968, make a report to the Society on the accounts examined by him or her and on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which he/she is appointed.
- 12.10 Where necessary in law, or where the Shareholders require, the Board shall cause the accounts of the Society to be submitted at least once in every year to the auditor for audit.
- 12.11 For the purposes of any audit the auditor shall be given access to and be entitled to call for and examine all books, deeds, documents, and accounts of the Society. They shall be entitled to require from the officers of the Society such information and explanations as they think necessary for the performance their duties. The auditor shall be entitled to attend any members' meetings of the Society, to receive all notices of and other communications relating to any Members' Meetings which any member of the Society is entitled to receive, and to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditor.

## CHAPTER 8 – Accounts

### 12 Accounts

- 13.1 The Board shall cause proper books of accounts to be kept with respect to its transactions and its assets and liabilities, and it shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all of its receipts and remittances in accordance with the Industrial and Provident Societies Acts 1965 to 1968.
- 13.2 The Board shall in respect of each year account;
- (d) cause to be prepared a revenue account or revenue accounts which singly or together deal with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year; and
  - (e) cause to be prepared a balance sheet giving a true and fair view as at the date thereof of the state of the affairs of the Society.
- 13.3 The Board shall have power to prepare in addition a revenue account or revenue accounts for less than one year of account and a balance sheet at the end of the period covered by such revenue account or revenue accounts.
- 13.4 Every balance sheet presented to a meeting of members shall be accompanied by a report of the Board, on the state of the Society's affairs, signed by the chairman of the meeting of the Board adopting the report.
- 13.5 In the preparation of accounts the Board shall ensure that the Society adopts and conforms strictly to the accounting standards recommended from time to time by the Performance and Accounting Standards Committee of Co-operatives UK Limited. If the Society does not observe the recommended standards, then this fact shall be reported clearly to the members in the Society's annual report.
- 13.6 A copy of each revenue account and balance sheet made during the period included in any annual return shall be sent to the Secretary to the Financial Services Authority together with the annual return and such copy shall incorporate the report made thereon by the auditor.

## CHAPTER 9 – Administrative provisions

### 14 Administrative Provisions

#### Registered office

- 14.1 The Society's registered office is Wortley Hall, Wortley Village, Sheffield, S35 7DB. Wortley Hall is located in the Metropolitan Borough of Barnsley in the County of South Yorkshire.

#### Name

- 14.2 The name of the Society shall be clearly displayed on all business letters, notices, advertisements, official publications, bills of exchange, promissory notes, endorsements, cheques, orders for money or goods purporting to be signed by or on behalf of the Society, and on all bills, invoices, receipts, or letters of credit of the Society.
- 14.3 The Political Secretary shall arrange for minutes of all Shareholders' meetings and Board meetings to be kept.

#### Website

- 14.4 The Society shall maintain a website, which shall clearly show the name of the Society.

#### Powers

- 14.5 The Society has full power to do all things necessary or expedient for accomplishing any of its functions.
- 14.6 In particular it may
- (a) purchase, hold, sell, mortgage, rent, lease or sub lease lands of any tenure and to erect, pull down, repair, alter or otherwise deal with any building on those lands;
  - (b) enter into block discounting transactions;
  - (f) borrow money, mortgage or charge any of its property and issue debentures and other securities upon such terms and conditions as the Board thinks fit; provided that the Society's total borrowing shall not at any time exceed 50% of the Society's revenue reserve stated in the Society's last published accounts; but
    - (i) the interest payable on advances, other than advances on bank overdraft and loans secured by mortgage or charge shall not exceed a rate equivalent to 3 per cent per annum above the Co-operative Bank plc base rate or 5 per cent per annum whichever is the higher. In this rule "The Co-operative Bank plc base rate" means The Co-operative Bank plc base rate at the time of making the advance or at such time within the 2 years prior to the making of the advance or, in the case of an advance which is renewed after becoming repayable, within 2 years prior to its renewal (if renewed more than once) as the Board determines; and
    - (ii) charges or debentures may contain a fixed charge upon any property of the Society specified therein and/or a floating charge upon its undertaking and all its property and assets both present and future, and a separate register shall be kept of all such charges and debentures.

- (a) establish a pension or superannuation scheme for the benefit of its employees and pay contributions and enter into any contract or trust deed for this purpose;
  - (b) receive from any person whether members or not, sums on deposit, withdrawable on not less than two clear days notice, not exceeding in total the amount permitted under the law applicable to industrial and provident societies for the time being in force.
- 14.7 The capital of the Society may be invested in or upon any of the securities or shares specified in Section 31 of the Industrial and Provident Societies Act 1965, but not otherwise.

### **FSMA Activity**

- 14.8 The Society must make an authorisation application to the Financial Services Authority for any activities the Society wishes to carry on which fall under those regulated by the Financial Services and Markets Act 2000.

### **Annual Return**

- 14.9 The Society shall within the time allowed by legislation in each year send to the Financial Services Authority;
- (a) a general statement in the prescribed form, called the annual return, relating to its affairs during the period covered by the return;
  - (b) a copy of the report of the auditor on the Society's financial statements for the period included in the return; and
  - (c) a copy of each revenue account and balance sheet made during that period and of any report of the auditor on that balance sheet.

### **Copy of Rules and Annual Return**

- 14.10 The Political Secretary is to deliver,
- (a) a copy of the rules to any person who asks for them, on payment of an amount fixed by the Board subject to the statutory minimum;
  - (b) a copy of the most recent annual return of the Society to any member or person interested in the Society's funds who asks for it free of charge. When doing so, the Political Secretary shall also supply a copy of the report of the auditor on the accounts and balance sheet contained in the return.

### **Service of Notices**

- 14.11 A notice required to be given by the Political Secretary to any member under these Rules or under the Industrial and Provident Societies Acts or otherwise may be given (unless these Rules state otherwise) by sending it by post to the member at their address in the register of members or by leaving it at that address. A notice sent by post shall be deemed to be served by properly addressing, prepaying, and posting a letter containing the notice, and it shall be deemed to have been served in the ordinary course of post.

## **Seal**

- 14.12 If the Society has a seal, its name shall be engraved in legible characters upon the seal, which shall be kept in the custody of the Political Secretary and shall be used only under the authority of a resolution of the Board. Every instrument upon which the seal is impressed shall be countersigned by two Directors and the Secretary or in the absence of the Secretary by the Chief Executive or by such other person or persons as the Board may from time to time appoint for that purpose.

## **Disputes**

- 14.13 Every unresolved dispute which arises out of these rules between the Society and;
- (a) a member, or
  - (b) any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute, or
  - (c) any person claiming through such member or person aggrieved; or
  - (d) any person bringing a claim under the rules of the Society; or
  - (e) an office-holder of the Society is to be submitted to an arbiter agreed by the parties or in the absence of agreement to be nominated by the Chief Executive of Co-operatives uk Limited. The arbitrator's decision will be binding and conclusive on all parties.
- 14.14 Any person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

## **Disclosure of Interest**

- 14.15 Any member of the Management Board who has a material interest in a matter as defined below shall declare such interest to other members of the Management Board and:
- (a) may not be present in any discussion of the matter, and
  - (b) shall play no part in the decision-making in relation to the matter.
- 14.16 Details of any such interest shall be recorded by the Political Secretary in the register of the interests of members of the Management Board.
- 14.17 A material interest in a matter is any interest in any transaction or act or proposed transaction or act of the Society and any office or position (save for the exceptions referred to below) held by a member of the Management Board or their spouse or partner in any firm or company or business in which is involved in a transaction or proposed transaction with the Society. The exceptions which shall not be treated as material interests are as follows:
- (a) an employment contract with the Society;
  - (b) shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on any Stock Exchange.

## **CHAPTER 10 – Application of profits**

### **15 Application of profits**

15.1 The net profits of all business carried on by or on account of the Society shall be applicable as follows.

#### **Members**

##### **Interest on share capital**

15.2 members shall receive no interest, dividends nor bonus on their shares, but any surplus on income over expenditure shall be applied for the sole benefit of the Society towards any or all of its objects and/or in setting aside to a reserve fund such amounts as the Management Board may determine to meet any contingency affecting the affairs of the Society.

##### **Member activities**

15.3 In setting aside such amount if any as an ordinary meeting may determine, for the purpose of promoting education, culture, or recreation. In offering members discounts as agreed by the Management Board.

#### **15.4 Community**

In making such payments for charitable purposes or for the benefit of the community as the Management Board shall determine;

#### **15.5 Other distributions**

- (a) in making payments for any lawful purpose whatsoever whether within the functions for which the Society is formed or not provided that no distribution of the profits aforesaid to the members shall be made except as is expressly provided for in this rule.
- (c) in retaining as reserves any of the profits not applied in one of the ways set out above.

## **CHAPTER 11 – Amendment of Rules, Transfer of Engagements etc.**

### **16 Amendment of Rules**

- 16.1 Except where these rules say otherwise, any of these rules may be amended or rescinded, or any new rule may be made, by a resolution passed at a special meeting of the Society by two-thirds of the votes cast.
- 16.2 No amendment of rules is valid until registered. When submitting rule amendments for registration the Political Secretary may at their sole discretion accept any alterations required or suggested by the Financial Services Authority without reference back to a further special meeting of the Society.
- 16.3 Subject to necessary re-numbering of rules in the event of a complete amendment of rules, this rule (rule 16.3), and rule 17.2 may only be rescinded or altered by resolution passed at a special meeting of the Society at which 95% of the total votes have been cast in favour of such a resolution.

### **17 Amalgamation, Transfer of Engagements, and Conversion**

- 17.1 The Society may, by special resolution passed in the way required by the Industrial and Provident Societies Acts, amalgamate with or transfer its engagements to any other society. The Society may also accept a transfer of engagements and assets by resolution of the Management Board or of a meeting of members.
- 17.2 The Society may, by a special resolution in the way required by the Industrial and Provident Societies Acts, amalgamate with or transfer its engagements to a company or convert itself into a company under the Companies Acts. In relation to calling a meeting of members for the purpose of such resolution, the following provisions shall apply.
- (a) The Society shall give to members not less than two months' notice of the meeting.
  - (b) Notice of the meeting shall be posted in a prominent place at the Registered Office.
  - (c) The notice shall be accompanied by a separate statement setting out for members:
    - (i) The reason for the proposal;
    - (ii) Whether the proposal has the support of the Management Board of the Society;
    - (iii) What alternative proposals have been considered, and whether they are viable;
    - (iv) Details of the number of shares in the Society held by members of the Management Board;
    - (v) A recommendation by reputable independent financial advisers that the members should support the proposal rather than any alternative proposal.
  - (d) Where the separate statement is contained in another document, information shall be in the notice specifying where members can obtain a copy of the document.
  - (e) Where the rules permit the use of proxy voting at members' meetings, proxy voting shall not be allowed.
  - (f) the quorum of a meeting at which a special resolution to amalgamate with, transfer engagements to or convert into a company is to be voted upon shall be 500 members or 50 percent of the members present in person, whichever is the lower.

## 18 Dissolution

18.1 The Society may be dissolved:

- (a) by winding up in accordance with the Industrial and Provident Societies Act 1965 in pursuance of an order or resolution made as is directed in regard to companies by the Insolvency Act 1986; or
- (b) by an instrument of dissolution signed by not less than three-fourths of the members for the time being, in accordance with section 58 of the Industrial and Provident Societies Act 1965.

## 19 Surplus Assets


- 19.1 If on the solvent dissolution or winding-up of the Society there remain after the satisfaction of all its debts and liabilities and the repayment of the paid up share capital any assets whatsoever, such assets shall not be paid to or distributed among the members of the Society but shall be:
- (a) distributed to other Conference & Educational Centres which have similar Political, Co-operative and Trade Union affiliations as Wortley Hall. Members of the Management Board shall determine this distribution.
- 19.2 This rule (rule 19.1 and 19.2) may not be changed, except by a special resolution of the members passed in accordance with the requirements for the passing for a special resolution under section 52 (as amended) of the Industrial and Provident Societies Act 1965.

Signatures of Members


Full Names in BLOCK CAPITALS (no initials)

1. 

MICHAEL HEADON

2. 

PATRICIA ANN PETERS

3. 

STEPHEN MAURICE PARKIN

4 Secretary 

BRIAN CLARKE