

MEMORANDUM AND ARTICLES OF ASSOCIATION

Companies Acts 1985 and 1989

Company limited by guarantee and not having a share capital

**(As amended and adopted by special resolutions passed on
24 November 2006, 30 November 2007 and 20 November 2008)**

MEMORANDUM OF ASSOCIATION OF HESTIA HOUSING AND SUPPORT

1. Name

The name of the Charity is Hestia Housing and Support.

2. Registered Office

The registered office of the Charity is to be in England.

3. Objects

The Objects are to provide short and long-term accommodation for individuals who suffer mental or physical infirmity, or who are otherwise in need of assistance, to assist them to fulfil their potential in the community and secondly to provide short and long term accommodation for homeless individuals and thirdly to relieve hardship and distress among individuals with mental and physical infirmity or who are otherwise in need of assistance.

4. Powers

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

- 4.1 To promote or carry out research.
- 4.2 To provide advice and counselling.
- 4.3 To publish or distribute information.
- 4.4 To co-operate with other bodies.
- 4.5 To support, administer or set up other charities.
- 4.6 To raise funds (but not by means of taxable trading).
- 4.7 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Act).
- 4.8 To acquire or hire property of any kind.
- 4.9 To let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act).

- 4.10 To make grants or loans of money and to give guarantees.
- 4.11 To set aside funds for special purposes or as reserves against future expenditure.
- 4.12 To deposit or invest in 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).
- 4.13 To delegate the management of investments to a financial expert, but only on terms that:
 - (1) the investment policy is set down in writing for the financial expert by the Trustees;
 - (2) every transaction is reported promptly to the Trustees;
 - (3) the performance of the investments is reviewed regularly with the Trustees;
 - (4) the Trustees are entitled to cancel the delegation arrangement at any time;
 - (5) the investment policy and the delegation arrangement are reviewed at least once a year;
 - (6) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
 - (7) the financial expert must not do anything outside the powers of the Trustees.
- 4.14 To arrange for investments or other property of the Charity to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.
- 4.15 To deposit documents and physical assets with any company registered or having a place of business in England and Wales as custodian, and to pay any reasonable fee required.
- 4.16 To insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required.
- 4.17 To pay for indemnity insurance for the Trustees.
- 4.18 Subject to clause 5, to employ paid or unpaid agents, staff or advisers.
- 4.19 To enter into contracts to provide services to or on behalf of other bodies.
- 4.20 To establish or acquire subsidiary companies to assist or act as agents for the Charity.
- 4.21 To pay the costs of forming the Charity.

4.22 To do anything else within the law which promotes or helps to promote the Objects.

5. Benefits to Members and Trustees

5.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the members but:

- (1) members who are not Trustees may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied;
- (2) members (including Trustees) may be paid interest at a reasonable rate on money lent to the Charity;
- (3) members (including Trustees) may be paid a reasonable rent or hiring fee for property or equipment let or hired to the Charity; and
- (4) members (including Trustees) who are also beneficiaries may receive charitable benefits in that capacity.

5.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:

- (1) as mentioned in clauses 4.17 (indemnity insurance), 5.1(2) (interest), 5.1(3) (rent), or 5.1(4) (charitable benefits),
- (2) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in the administration of the Charity;
- (3) any payment due to a Trustee under the indemnity provisions set out in the Articles;
- (4) payment to any company in which a Trustee has no more than a 1 per cent shareholding; and
- (5) in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance).

5.3 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee, he or she must:

- (1) declare an interest before the meeting or at the meeting before discussion begins on the matter;
- (2) be absent from the meeting for that item unless expressly invited to remain in order to provide information;
- (3) not be counted in the quorum for that part of the meeting; and
- (4) be absent during the vote and have no vote on the matter.

5.4 This clause may not be amended without the written consent of the Commission in advance.

6. Limited Liability

The liability of members is limited.

7. Guarantee

Every member promises, if the Charity is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while he or she was a member.

8. Dissolution

8.1 If the Charity is dissolved, the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:

- (1) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;
- (2) directly for the Objects or for charitable purposes which are within or similar to the Objects;
- (3) in such other manner consistent with charitable status as the Commission approve in writing in advance.

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

9. Interpretation

9.1 Words and expressions defined in the Articles have the same meanings in the Memorandum.

9.2 References to an Act of Parliament are references to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

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ARTICLES OF ASSOCIATION OF HESTIA

1. Membership

- 1.1 The Charity must maintain a register of members.
- 1.2 The number of members shall be at least 28 and no more than 36 and at least one third of the members shall be users of the Charity's services.
- 1.3 Every member of the Charity shall either sign a written consent to become a member or sign the register of members on becoming a member.
- 1.4 Subject to the provisions of Article 5 the Board of Trustees shall appoint persons to be members of the Charity, but such appointment shall terminate unless the Charity ratifies it at its next Annual General Meeting.
- 1.5 A member is normally appointed for a term ending at the third AGM after the AGM at which his or her appointment has been ratified. On the expiration of the term a member is eligible for re-appointment for one further term expiring at the third AGM after the re-appointment. Thereafter, and subject to Article 1.6, a further year (or period between one AGM and the next if shorter) must normally elapse before he or she is eligible for re-appointment as a member. During that period the member shall be an 'Ineligible Person'. A member may be appointed or re-appointed for a shorter term, and if so, then the period when such a person is an Ineligible Person shall commence from the end of their second term.
- 1.6 In the event that a member is appointed to be a Trustee, he or she will remain a member until his or her appointment as a Trustee terminates.
- 1.7 Membership is terminated if the member concerned:
 - (1) gives written notice of resignation to the Charity;
 - (2) dies;
 - (3) is removed from membership by resolution of the Trustees on the ground that in their reasonable opinion the member's continued membership is harmful to the Charity. The Trustees may only pass such a resolution after notifying the member in writing and considering the matter in the light of any written representations which the member concerned puts forward within 14 clear days after receiving notice;
 - (4) ceases to be a resident of the Charity's accommodation or a user of the Charity's services, if they were a resident of the Charity's accommodation or a user of the Charity's services on admission to membership; or
 - (5) fails to attend two successive Annual General Meetings of the Charity and also fails to give apologies for absence from those Annual General

Meetings and is removed from membership by a resolution of the Trustees.

1.8 Membership of the Charity is not transferable.

2. General Meetings

- 2.1 Members are entitled to attend general meetings either personally or by proxy.
- 2.2 General meetings are called on at least 21 clear days' written notice specifying the date, time and place of the meeting and the business to be discussed. If the meeting is to be an annual general meeting, the notice must say so. The notice must be given to all the members and to the Auditors. A general meeting may be called at shorter notice if:
- (1) in the case of an annual general meeting, all the members entitled to attend and vote agree to the shorter notice (or such lower percentage as is sufficient by law); and
 - (2) in the case of any other meeting, ninety-five per cent of all the members entitled to attend and vote agree to the shorter notice (or such lower percentage as is sufficient by law).
- 2.3 There is a quorum at a general meeting if the number of members present in person or by proxy is at least eight.
- 2.4 The Chair or Vice-Chair or (if the Chair and the Vice-Chair are unable or unwilling to do so) some other member elected by those present presides at a general meeting.
- 2.5 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by a majority of the votes cast.
- 2.6 Except for the chair of the meeting, who has a second or casting vote, every member present in person or by proxy has one vote on each issue.
- 2.7 Except in the case of a resolution to remove a Trustee or the auditors before the expiry of their term, members may pass a valid resolution without a meeting being held. But for the resolution to be valid:
- (a) it must be in writing;
 - (b) in the case of a special resolution it must be Signed by at least 75 per cent of all those members (or their duly authorised representatives) entitled to receive notice of and to attend general meetings;
 - (c) in the case of an ordinary resolution it must be Signed by a majority of all those members (or their duly authorised representatives) entitled to receive notice of and to attend general meetings;
 - (d) it may consist of two or more documents in identical form Signed by members;
 - (e) the passing of the resolution must comply with any other requirements of the law from time to time.

- 2.8 To the extent required by law, the Charity must hold an AGM in every year and not more than fifteen months may elapse between successive Annual General Meetings.
- 2.9 At an AGM the members:
- (1) receive the accounts of the Charity for the previous financial year;
 - (2) receive the Trustees' report on the Charity's activities since the previous AGM;
 - (3) accept the retirement of those Trustees who wish to retire or who are retiring in accordance with these Articles;
 - (4) elect Trustees to fill the vacancies arising;
 - (5) ratify the appointment of members of the Charity;
 - (6) appoint auditors for the Charity;
 - (7) may confer on any individual (with his or her consent) the honorary title of Patron, President or Vice-President of the Charity; and
 - (8) may discuss and determine any issues of policy or deal with any other business put before them by the Trustees.
- 2.10 Any general meeting which is not an AGM is an EGM.
- 2.11 The Trustees may call an EGM whenever they wish. Such a meeting must also be called if not less than ten percent of the members of the Charity request it in writing, subject to the provisions of the Act.
- 2.12 A person holding a proxy may vote on any resolution.
- 2.13 An instrument appointing a proxy shall be in Writing executed by or on behalf of the appointer and shall be in any usual or common form or in such other form as the Trustees may approve. If the appointer does not direct the proxy how to vote on a particular resolution, the proxy may vote as he or she thinks fit. The instrument of proxy shall, unless the contrary is stated in such instrument of proxy, be valid for any adjournment of the meeting as well as for the meeting to which it relates. The instrument appointing a proxy and any authority under which it is executed shall be deposited at the Office or such other place or person as the notice for the meeting shall specify at least 48 hours prior to the general meeting or adjourned meeting (excluding any day that is not a working day).
- 2.14 A vote given or poll demanded by proxy or by the duly authorised representative of a body corporate shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of the termination was received by the Charity at the office or at such other place at which the instrument of proxy was duly deposited at least 48 hours before the commencement of the meeting or adjourned meeting (excluding any day that is not a working day).

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 eight and not more than twelve individuals, all of whom must be members of the Charity at the date of their appointment and, subject to the provisions of these Articles, during their period of trusteeship.
- 3.3 No one may be appointed as a Trustee unless they are aged 18 years or older.
- 3.4 Every Trustee after appointment or re-appointment must sign a declaration of willingness to act as a charity trustee of the Charity before he or she may vote at any meeting of the Trustees.
- 3.5 Subject to the provisions of these Articles, each Trustee shall be appointed for a period of three years. A retiring Trustee who remains qualified may be re-appointed for a further consecutive term of three years after which such Trustee must not serve in that capacity for at least one year, subject to Article 3.6.
- 3.6 A Trustee who is appointed as Chair, Vice-Chair or Treasurer may have their term of office as a Trustee extended for a further consecutive three year term (to a maximum of 9 years as Trustee) in order for them to serve their term of office as Chair, Vice-Chair or Treasurer.
- 3.7 A Trustee's term of office automatically terminates if he or she:
 - (1) is disqualified under the Charities Act from acting as a charity trustee;
 - (2) is disqualified from being the director of a company under the Company Directors Disqualification Act or the Insolvency Act;
 - (3) is incapable, whether mentally or physically, of managing his or her own affairs;
 - (4) is absent without notice from three consecutive meetings of the Trustees and is asked by a majority of the other Trustees to resign;
 - (5) ceases to be a member (but such a person may be reinstated by resolution passed by all the other Trustees on resuming membership of the Charity before the next AGM);
 - (6) resigns by written notice to the Trustees (but only if at least two Trustees will remain in office);
 - (7) is removed by resolution of the members present and voting at a general meeting after the meeting has invited the views of the Trustee concerned and considered the matter in the light of any such views.
- 3.8 The Trustees may at any time co-opt any member of the Charity who is qualified to be appointed as a Trustee to fill a vacancy in their number, but a co-opted Trustee holds office only until the next AGM.

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

3.10 Indemnity of Trustees

3.10.1 The Charity may indemnify any Trustee against any liability incurred by him or her in that capacity to the extent permitted by section 309A of the Companies Act and any other section of the Companies Act from time to time.

3.10.2 Subject to and to the extent permitted by the Companies Act, but without prejudice to any indemnity to which he may otherwise be entitled every Trustee may be indemnified out of the assets of the Charity against all costs and liabilities incurred by him in relation to any proceedings (whether criminal or civil) which relate to anything done or omitted or alleged to have been done or omitted by him as a Trustee save that no Trustee shall be entitled to be indemnified:

- (a) for any liability incurred by him to the Charity or any associated company of the Charity (as defined by the Companies Act for these purposes);
- (b) for any fine imposed in criminal proceedings;
- (c) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
- (d) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
- (e) for any costs for which he has become liable in defending any civil proceedings brought by the Charity or an associated company in which a final judgment has been given against him; and
- (f) for any costs for which he has become liable in connection with any application the Companies Act in which the court refuses to grant him relief and such refusal has become final.

3.10.3 Every Trustee may have funds provided to him by the Charity to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a Trustee, provided that he will be obliged to repay such amounts no later than:

- (a) in the event he is convicted in proceedings, the date when the conviction becomes final;
- (b) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
- (c) in the event of the court refusing to grant him relief on any application under the Companies Act, the date when refusal becomes final.

4. Trustees' proceedings

- 4.1 The Trustees must hold at least four meetings each year.
- 4.2 A quorum at a meeting of the Trustees is five Trustees.
- 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.
- 4.4 The Chair or Vice-Chair or (if the Chair and Vice-Chair are unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting.
- 4.5 Every issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees (or signed by such number of members as the law from time to time requires) is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature.
- 4.6 Except for the chair of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.
- 4.7 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:

- 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 Subject to the provisions of Article 3.6, to appoint a Chair, Vice-Chair, Treasurer and other honorary officers from among their number and determine for what period each shall hold office, subject to a maximum period of five years in the case of the Chair and Treasurer and one year in the case of the Vice-Chair or other honorary officers.
- 5.3 To delegate any of their functions to committees consisting of two or more individuals appointed by them. The terms of delegation must be recorded in the minute book. At least two members of every committee must be Trustees and all acts and proceedings of committees must be reported promptly to the Trustees.
- 5.4 To make standing orders consistent with the Memorandum, the Articles and the Companies Act to govern proceedings at general meetings and to prescribe a form of proxy.
- 5.5 To make standing orders consistent with the Memorandum, the Articles and the Companies Act to govern their proceedings and proceedings of Committees.

- 5.6 To make standing orders consistent with the Memorandum, the Articles and the Companies Act to govern the administration of the Charity and the use of its seal (if any).
- 5.7 To establish and amend procedures to assist the resolution of disputes or differences within the Charity.
- 5.8 To exercise any powers of the Charity which are not reserved to a general meeting.

6. Records and Accounts

- 6.1 The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies and the Commission of:
 - (1) annual returns;
 - (2) annual reports; and
 - (3) annual statements of account.
- 6.2 The Trustees must keep proper records of:
 - (1) all proceedings at general meetings;
 - (2) all proceedings at meetings of the Trustees, including the names of the Trustees present, the decisions made at the meeting, and, where appropriate, the reasons for the decisions;
 - (3) all reports of committees; and
 - (4) all professional advice obtained.
- 6.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours and may be made available for inspection by members who are not Trustees if the Trustees so decide.
- 6.4 A copy of the Charity's latest available statement of account must be supplied on request to any Trustee or member. A copy must also be supplied, within two months, to any other person who makes a written request and pays the Charity's reasonable costs.

7. Notices

- 7.1 Notices under the Articles may be sent by hand, by post, by leaving it at the address of the member, or by suitable electronic means.
- 7.2 The only address at which a member is entitled to receive notices sent by post is an address in the U.K. shown in the register of members.

- 7.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- (1) 24 hours after being sent by electronic means or delivered by hand to the relevant address;
 - (2) two clear days after being sent by first class post to that address;
 - (3) three clear days after being sent by second class or overseas post to that address;
 - (4) on being handed to the member personally; or, if earlier,
 - (5) as soon as the member acknowledges actual receipt.
- 7.4 A technical defect in the giving of notice of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

8. Conflicts of Interest

- 8.1 Where the duty of a Trustee under section 175(1) of Companies Act 2006 to avoid conflict of interest would otherwise be infringed in relation to a particular transaction or arrangement, the duty is not infringed if:
- (a) the matter in relation to which that duty exists has been proposed to the Trustees at a meeting of the Trustees and has been authorised by the;
 - (b) any requirement as to the quorum of such meeting is met without counting the Trustee in question, or any other interested Trustee; and
 - (c) the matter was agreed to without any such Trustee voting, or would have been agreed to if the vote of any such Trustee had not been counted.
- 8.2 The Trustees shall also observe the rules in the Act, and such other rules as the Board adopts, as to the management of conflicts of duty or interest and to the extent required by law every Trustee shall fully disclose to the Board the circumstances giving rise to any conflict or potential conflict that he has.

9. Dissolution

The provisions of the Memorandum relating to dissolution of the Charity take effect as though repeated here.

10. Interpretation

In the Memorandum and in the Articles, unless the context indicates another meaning:

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

‘area of benefit’ means the UK;

'the Articles' means the Charity's articles of association;

'Chair' means the chairman of the Trustees;

'the Charity' means the company governed by the Articles;

'the Charities Act' means the Charities Act 1993;

'charity trustee' has the meaning prescribed by section 97(1) of the Charities Act;

'clear day' means 24 hours from midnight following the relevant event;

'the Commission' means the Charity Commissioners for England and Wales;

'the Companies Act' means the Companies Act 1985 and 1989 and as amended or superseded by subsequent legislation;

'connected person' means any spouse, partner, parent, child, brother, sister, grandparent or grandchild of a Trustee, any firm of which a Trustee is a member or employee, and any company of which a Trustee is a director, employee or shareholder having a beneficial interest in more than 1 per cent of the share capital;

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

'the Company Directors Disqualification Act' means the Company Directors Disqualification Act 1986;

'EGM' means an extraordinary general meeting of the Charity;

'financial expert' means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;

'financial year' means the Charity's financial year;

'firm' includes a limited liability partnership;

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

'Insolvency Act' means the Insolvency Act 1986;

'material benefit' means a benefit which may not be financial but has a monetary value;

'member' and 'membership' refer to company membership of the Charity;

'Memorandum' means the Charity's Memorandum of Association;

'month' means calendar month;

'nominee company' means a corporate body registered or having an established place of business in England and Wales;

'the Objects' means the Objects of the Charity as defined in clause 3 of the Memorandum;

'Office' means the registered office of the Charity;

'Secretary' means the company secretary of the Charity;

'Signed' shall include faxes of signatures and other forms of authentication that are permitted by law;

'taxable trading' means carrying on a trade or business for the principal purpose of raising funds and not for the purpose of actually carrying out the Objects, the profits of which are subject to corporation tax;

'Trustee' means a director of the Charity and 'Trustees' means the directors;

'written' or 'in writing' means written, printed or lithographed or partly one and partly another, and other ways of showing and reproducing words in a visible form including by e-mail or fax (to the extent legally permissible);

'year' means calendar year.

10.2 Expressions defined in the Companies Act have the same meaning.

10.3 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.