

THE HAVEN COMMUNITY INN LIMITED

**RULES OF OPERATION
AS A
COMMUNITY BENEFIT SOCIETY**



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1 MANAGEMENT COMMITTEE

Elections, appointments and removals

- 1.1 Elected members of the Management Committee hold office for a period commencing immediately after the Members' Meeting at which their election is declared and ending at the conclusion of the third Annual Members' Meeting after that or until they resign or are removed from office in accordance with Rule 5.10.
- 1.2 Members can be co-opted by the Management Committee at any time. Co-optees appointed under this Rule 5.5 shall serve until the next Annual Members' Meeting after their appointment where they may be elected.
- 1.3 A person retiring from office shall be eligible for re-election or re-appointment for up to three consecutive terms after which they must not be elected or appointed for a period of 12 months.
- 1.4 Elections shall be carried out in accordance with procedures determined by the Management Committee.
- 1.5 Only a Member over the statutory minimum age may be elected or appointed to serve on the Management Committee.
- 1.6 The Management Committee will adopt a code of conduct, and every member of the Management Committee must sign a copy of the code on appointment and comply with the terms of such code of conduct throughout their tenure.
- 1.7 A member of the Management Committee shall immediately vacate their office if they:
 - 1.7.1 resign from office in writing to the Secretary or Chairperson;
 - 1.7.2 cease to be a Member;
 - 1.7.3 become bankrupt or subject to a disqualification order made under the Company Directors Disqualification Act 1986;
 - 1.7.4 are removed from office by a resolution passed by a two-thirds majority of those voting at a meeting of the Management Committee, on the grounds that in the opinion of the Management Committee, they are in serious breach of the Management Committee's code of conduct or have not performed the duties which they agreed to perform or which they could reasonably have been expected to perform and it is not in the interests of the Society that they should continue in office;
 - 1.7.5 are removed from office by a simple majority of the Members in a Special Members Meeting, the notices for which specified that the question of the Management Committee Member removal was to be considered.

- 1.8 The Management Committee shall elect from amongst themselves a Chairperson, Vice-Chairperson and a Treasurer. They may also choose to elect a Secretary in accordance with rule 5.19. These officers shall have such functions as the Rules or the Management Committee specify, and they shall serve until they are removed or replaced by the Management Committee, or until they resign.
- 1.9 Unless the Rules provide otherwise, in the event of a decision to be made by a vote at meetings of the Management Committee, the decision shall be decided by a simple majority of votes. Each member of the Management Committee shall have one vote, and in the event of a tied vote, the Chairperson of the meeting shall have a second or casting vote.
- 1.10 A resolution sent to all members of the Management Committee and signed or confirmed by Electronic Communication by a simple majority or such majority required in these Rules has the same effect as a resolution validly passed at a meeting of the Management Committee. Each member of the Management Committee may sign a separate copy of the resolution and send a signed copy to the Secretary by Electronic Communication.

Disclosure of Interests

- 1.11 A member of the Management Committee shall declare an interest and shall not vote in respect of any matter in which they, or their spouse or **partner** or immediate relative, have a personal, financial or other material interest. If they do vote, their vote shall not be counted.

Remuneration

- 1.12 Members of the Management Committee are not entitled to any remuneration, but they may be reimbursed for reasonable expenses incurred in connection with the Society's business.

Secretary

- 1.13 The Society shall have a Secretary who shall be appointed by the Management Committee and who may be an employee. The Management Committee may also appoint a deputy Secretary (who may also be an employee) to act as Secretary in the Secretary's absence. The Secretary's duties will be clearly set out in writing and agreed by the Management Committee.
- 1.14 The Secretary
- 1.14.1 has the functions set out in the Rules and any other functions that the Management Committee assigns;
 - 1.14.2 acts as Returning Officer at all Society meetings and is responsible for the conduct of all voting described in the Rules and records the outcome of all matters put to a vote;
 - 1.14.3 has absolute discretion to decide any issue or question which the Rules require the Secretary to decide.

2 REPORTING

Auditors and Audit

- 2.1 At the Annual Members' Meeting where, as a result of the provisions of the Act the Society has the power to decide not to appoint an Auditor or Auditors to audit its Annual Accounts, a resolution shall be put to the Members to decide whether or not they wish to exercise the power.
- 2.2 In the event of the members voting to disapply the requirements for a full audit, the Society should appoint an independent accountant or lay auditor to prepare a report, as required by the law.
- 2.3 Where required by law or the decision of the Members, the Society shall appoint in each year a qualified Auditor or Auditors to be the Auditors, and the following provisions shall apply to them.
 - 2.3.1 The accounts of the Society for that year shall be submitted to them for audit as required by the law.
 - 2.3.2 They shall have all the rights and duties in relation to notice of, and attendance and right of audience at Members' Meetings, access to books, the supply of information, reporting on accounts and otherwise, as are provided by the law.
 - 2.3.3 Except where provided in the Rules, they are appointed by the Annual Members' Meeting, and the provisions of the law shall apply to the re-appointment and removal and to any resolution removing or appointing another person in their place.
 - 2.3.4 Their remuneration shall be fixed by the Management Committee in accordance with the Act.
- 2.4 The Management Committee may fill any casual vacancy in the office of Auditor until the next following Members' Meeting.
- 2.5 Where an Auditor is appointed to audit the accounts for the preceding year, they shall be reappointed to audit the current year's as well unless:
 - 2.5.1 a Members' Meeting has appointed someone else to act or has resolved that the auditor shall not act; or
 - 2.5.2 the auditor does not want to act and has told the Society so in writing;
 - 2.5.3 the person is not qualified to act;
 - 2.5.4 the auditor has become incapable of acting;
 - 2.5.5 notice of intention to appoint another auditor or to remove the auditor has been given.
- 2.6 No less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.

- 2.7 The Society shall send a copy of the resolution to the retiring auditor and also give notice to Members at the same time and in the same manner, if possible.
- 2.8 If it is not possible to give the notice referred to in Rule 6.8 as specified in that Rule, the Society shall give notice by advertising in the local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to Members under Section 95 of the Act.

Presentation of Accounts

- 2.9 The Management Committee shall present the Annual Accounts and reports of the business and affairs of the Society to the Annual Members' Meetings.
- 2.10 The Management Committee shall lay Annual Accounts before the Annual Members' Meeting showing respectively the income and expenditure for and the state of the affairs of the Society as at the end of the Society's most recent financial year (or of such other period as the Management Committee may decide) and ensure Members have the opportunity to ask questions.

Publication of Accounts and Balance Sheets

- 2.11 Subject to the law, the Management Committee must not cause to be published any revenue account or balance sheet unless it has previously been audited by the Auditors unless the power in 6.2 not to appoint Auditors has been exercised and in its place an audit has been substituted by an accountant's report or lay auditors' report. Every revenue account and balance sheet published must be signed by the Secretary and by two Members acting on behalf of the Management Committee.

Copy of Balance Sheet to be Displayed

- 2.12 The Society must keep a copy of the last balance sheet for the time being, always displayed in a conspicuous place at its registered office. A copy may also be kept at an alternative address.

Annual Return to be sent to Financial Conduct Authority

- 2.13 The Society must, within the time allowed by legislation in each year, send to the **Financial Conduct Authority** a general statement in the prescribed form, called the annual return, relating to its affairs during the period covered by the return, together with a copy of:
- 2.13.1 the Society's financial statements for the period included in the return; and
 - 2.13.2 the report of the Auditors, Accountant or Lay Auditors.

The most recent annual return of the Society shall be made available to any Member by the Secretary on request in writing free of charge.

3 CHANGE

Alterations to Rules

- 3.1 No new rule shall be made, nor shall any of the Rules be amended, unless it is approved by a two-thirds majority of the votes cast by Members present and voting at a Special Members' Meeting.
- 3.2 Notice of such a Special Members' Meeting shall specify the Rules to be amended and set out the terms of all amendments or new rules proposed.
- 3.3 No amendment to any of the Rules and no new rule shall be valid until registered with the **Financial Conduct Authority**.
- 3.4 The Management Committee may change the situation of the Society's registered office. The Society will send notice of any such change to the **Financial Conduct Authority and to the Plunkett Foundation**.

Restriction on use

- 3.5 Pursuant to regulations made under section 29 of the Act:
 - 3.5.1 All of the Society's assets are subject to a restriction on their use.
 - 3.5.2 The Society must not use or deal with its assets except:
 - 3.5.2.1 where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
 - 3.5.2.2 to pay a Member of the Society the value of their withdrawable share capital or interest on such capital;
 - 3.5.2.3 to make a payment pursuant to section 39 (proceedings on death of nominator), 40 (provision for intestacy) or 36 (payments in respect of mentally incapable persons) of the Act;
 - 3.5.2.4 to make a payment in accordance with the Rules of the Society to trustees of the property of bankrupt Members or, in Scotland, Members whose estate has been sequestrated;
 - 3.5.2.5 where the Society is to be dissolved or wound up, to pay its creditors; or
 - 3.5.2.6 to transfer its assets to one or more of the following:
 - (a) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
 - (b) a community interest company;
 - (c) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
 - (d) a charity (including a community benefit society that is a charity); or
 - (e) a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.
 - 3.5.3 Any expression used in this Rule which is defined for the purposes of regulations made under section 29 of the Act shall have the meaning given by those regulations.

Transfers of Engagements

- 3.6 The Society may, by special resolution passed at a Special Members' Meeting in accordance with the Rules and in the way required by the law, amalgamate with or transfer its engagements to any **society** or convert itself into a **company**. Nothing in this Rule shall entitle the Society to amalgamate with, transfer its engagements to or convert itself into a type of body that is not listed in Rule 7.5.2.6.
- 3.7 The Society may also accept a transfer of engagements and assets from any **society** by resolution of the Management Committee or of a Members' Meeting, as the Management Committee shall decide.

Dissolution

- 3.8 The Society may be dissolved by an Instrument of Dissolution or by winding up in the way required by the law. 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 be transferred in accordance with the provisions above headed "Restrictions on use".
- 3.9 Subject to those provisions, such assets shall be transferred to one or more community organisations that support the objects of the Society chosen by the Members at a Members' Meeting, which may include any society established by the **Plunkett Foundation** for the purpose of the creation, promotion and development of community businesses.

- 3.10 Shares are not transferable except on death or bankruptcy, and are withdrawable at the sole discretion of the Management Committee in accordance with the Rules as follows:
- 3.10.1 shares may be withdrawn by Members who have held them for a minimum period of three years or such other period as the Management Committee decides;
 - 3.10.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Management Committee;
 - 3.10.3 the Management Committee may specify a maximum total withdrawal for each financial year;
 - 3.10.4 all withdrawals must be funded from trading profits, reserves or new share capital raised from Members, and are at the absolute discretion of the Management Committee having regards to the long term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Management Committee must be satisfied that:
 - 3.10.4.1 as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
 - 3.10.4.2 the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal.
 - 3.10.5 all withdrawals shall be paid in accordance with the Society's policy on share withdrawals. If no such policy exists, all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made until the following financial year;
 - 3.10.6 except where a Member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by the Rules;
 - 3.10.7 the Management Committee may in its absolute discretion waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;
 - 3.10.8 the Management Committee may suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed

- period. The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Management Committee;
- 3.10.9 during any period when the right of withdrawal has been suspended, the shares of a deceased Member may, if the Management Committee agrees, be withdrawn by their personal representatives on giving such notice as the Management Committee requires;
 - 3.10.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares.
- 3.11 The Society may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds, subject to the following:
- 3.11.1 any payment of interest must be from trading profits and is at the discretion of the Management Committee having regard to the long term interest of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit;
 - 3.11.2 the Management Committee shall determine the basis for calculating and paying interest to members the rate of interest to be paid in any year and this decision is to be approved by resolution of the Members at the Annual Members' Meeting. The agreed rate shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater;
 - 3.11.3 the Management Committee may decide that interest shall not be paid in relation to holdings of shares below a minimal level.
- 3.12 On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of paid up share capital.
- 3.13 In the event that a Member resigns from membership, is removed from the Register of Members, or is expelled in accordance with the Rules, shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former Member by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in the Rules and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.

4 ADMINISTRATIVE

Purpose, objects and powers

- 4.1 The Society's Purpose is to carry on business for the benefit of the community.
- 4.2 The Objects of the Society are, in accordance with its Purpose:
 - 4.3 The Society has the power to do anything that a natural or corporate person can lawfully do which appears to it to be necessary or desirable to achieve its Objects.
 - 4.4 Without limiting the general power under Rule 9.3, the Society shall have the power to:
 - 4.4.1 acquire or dispose of or take or grant any interest in property and take or grant any security interest over land or any of the Society's assets including any mortgage charge, floating charge or other security whatsoever;
 - 4.4.2 enter into contracts;
 - 4.4.3 employ staff;
 - 4.4.4 make use of the services of volunteers;
 - 4.4.5 receive donations or loans free of interest for its Objects;
 - 4.4.6 subject to Rule 9.7, borrow money or issue any other debt instrument or enter into any transaction having the effect of borrowing on such terms as the Society thinks fit;
 - 4.4.7 subject to Rule 9.8, invest the funds of the Society.
- 4.5 Any power of the Society to pay remuneration and allowances to any person includes the power to make arrangements for providing or securing the provision of pensions or gratuities (including those payable by way of compensation for loss of employment or loss or reduction of pay).
- 4.6 The Society shall not accept deposits or conduct any activity that constitutes a 'regulated activity' for the purposes of the Financial Services and Markets Act 2000 and 2012 without first applying for, and obtaining, authorisation for the conduct of any such activity.

Borrowing

- 4.7 Subject to the approval of the Management Committee, the Society may borrow money from its members and others for the purposes of or in connection with its Objects, providing that the amount outstanding at any one time shall not exceed £1,000,000.
 - 4.7.1 The Society shall have the power to mortgage or charge any of its property, assets and undertakings, and to issue loan stock, debentures and other securities for money borrowed or for any

contracts of the Society or its customers or persons or corporations having dealings with the Society under whatever security or conditions the Management Committee determine are necessary to obtain the capital required to fulfil the society's objects.

- 4.7.2 The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building society or local authority, shall not exceed a reasonable rate necessary, in the opinion of the Management Committee, to obtain and retain the capital required to carry out the objects of the Society, nor shall it risk the Society's status as a Community Benefit Society.

Investments

- 4.8 Subject to any restriction imposed by resolution of any Members' Meeting, the Management Committee may invest any part of the capital and funds of the Society in any manner which the Management Committee may from time to time determine, taking investment advice where appropriate and in accordance with the Society's policy on investments.

Books of Account

- 4.9 The Management Committee shall cause to be kept proper books of account with respect to the transactions of the Society, its assets and liabilities, and shall establish and maintain a satisfactory system of control of the books of account, the cash holdings and all receipts and remittances of the Society in accordance with the law.

Treatment of Profits

- 4.10 The profits of the Society shall not be distributed either directly or indirectly in any way whatsoever among Members, but shall be applied:
- 4.10.1 to maintain prudent reserves;
 - 4.10.2 social payments furthering the objects of the Society;
 - 4.10.3 on expenditure in carrying out the Society's Objects.

Minutes

- 4.11 The Management Committee shall cause proper minutes to be made of all Members' Meetings, meetings of the Management Committee and of any sub-committees. All such minutes shall be open to inspection by any Member at all reasonable times subject to any duty of confidentiality.

Settlement of Disputes

- 4.12 The Society shall maintain and follow an internal policy for dispute resolution as approved by the Board.
- 4.13 Any dispute, between the Society or an officer of the Society on the one hand and a Member or a person who has for not more than six months ceased to be a Member on the other hand, as to the interpretation of or arising out of the Rules shall be dealt with in accordance with the Society's dispute resolution policy referred to in rule 9.12. Only after all other avenues been explored (except as otherwise provided in the Rules) can the dispute be referred, in default of agreement between the parties to the dispute, to a person appointed by the Chief Executive of the **Plunkett Foundation**, on application by any of the parties. The person so appointed shall act as sole arbitrator in accordance with the Arbitration Act 1996 or the Arbitration (Scotland) Act 2010 and such person's decision shall (including any decision as to the costs of the arbitration) be final.

Register of Members

- 4.14 The Society shall keep at its registered office a register of Members as required by the law. Any Member wishing to inspect the register shall provide the Society with not less than 14 days' prior notice given in writing to the Secretary at the Society's registered office.

Copies of Rules and Regulations

- 4.15 The Secretary will provide a copy of the Rules (electronic or paper based) to any person who demands it and may charge a sum (not exceeding the maximum allowed by the law) for providing such a copy. Unless that person is a member who has not previously been provided with a copy of the rules.





Management Committee's and Officers' Indemnity

- 4.16 Members of the Management Committee, Officers, Employees, and the Secretary who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions, save where they have acted recklessly. Any costs arising in this way will be met by the Society. The Society may purchase and maintain insurance against this liability for its own benefit and for the benefit of members of the Management Committee and the Secretary.

Deceased and bankrupt members

- 4.17 Upon a claim being made by the personal representative of a deceased Member or the trustee in bankruptcy of a bankrupt Member, any property to which the personal representative or trustee in bankruptcy has become entitled may be used as the personal representative or trustee in bankruptcy may direct.
- 4.18 A Member may in accordance with the law nominate any person or persons to whom any of their property in the Society at the time of their death shall be transferred, but such nomination shall only be valid to the extent for the time being provided by the law. On receiving satisfactory proof of the death of a Member who has made a nomination the Society shall, in accordance with the law, either transfer or pay the full amount of such property to the person so nominated.

5 SIGNATURES OF MEMBERS

Signatures of Members	Full Names	Date
	Dr James Craig Maltman Thomson	2/4/2025
	Wendy Frazier	2/4/2025
	Andrew Chalmers	2/4/25
<p data-bbox="245 904 475 931">Signature of Secretary</p> 	Sandra Snaddon	02/04/25