

# **RULES**

**BIELD HOUSING ASSOCIATION LIMITED**

Registered Office: 79 Hopetoun Street, Edinburgh, EH7 4QF  
Scottish Charity No. SC006878

Register No. 1692 R (S)

# **RULES**

**OF THE**

**BIELD HOUSING ASSOCIATION LIMITED**

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Registered under the Industrial  
and Provident Societies Act, 1965

MODEL H.10. 1968 (CHARITABLE)

Published by  
The National Federation of Housing Associations

# R U L E S

## **NAME, OBJECTS AND REGISTERED OFFICE**

1. The name of the Society shall be Bield Housing Association Limited (hereinafter called "the Association").
2. (a) The objects of the Association shall be to carry on for the benefit of the community the business of:-
  - (i) providing, constructing, improving or managing, or encouraging or facilitating the provision, construction or improvement, of houses for persons in necessitous circumstances;
  - (ii) providing, constructing improving or managing for persons who are aged or infirm or disabled or handicapped (whether mentally or physically) and in need thereof, housing and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
  - (iii) providing for aged persons in need thereof services of any description in arranging or carrying out works of maintenance, repair or improvement to their houses, or encouraging or facilitating the carrying out of such works;
  - (iv) providing facilities and services, including care services and community alarm services, for persons who are aged or infirm or disabled and in need thereof;
  - (v) the carrying on of any activity permitted under Section 4 of the 1985 Act provided always that any such activity is charitable in law;and in the pursuance of these objects, the Association may undertake any function supplemental or incidental thereto.
- (b) The Association shall, in the furtherance of its objects but not otherwise, have the following powers:
  - (i) to provide land or buildings for purposes connected with the requirements of the persons occupying the houses or housing under paragraphs (a) (i) and (ii) above;
  - (ii) to provide amenities or services for the benefit of those persons either exclusively or together with other persons;
3. The Association shall have power to do all things necessary or expedient for the fulfilment of its objects.
4. The Association shall not trade for profit.
5. The registered office of the Association shall be at 79 Hopetoun Street, Edinburgh, EH7 4QF.

## **MEMBERSHIP**

6. The members of the Association shall be the persons whose names are entered in the register of members. The Board may in their discretion admit to membership any individual persons (including the nominees of unincorporate bodies), Societies, Companies and Local Authorities (being bodies corporate).

7. Every member shall hold one share only in the Association.
8. An applicant for membership shall forward to the registered office together with his application the sum of one pound (which shall be returned to him if the application is not approved) and every application shall be considered by the Board at its next meeting after it is made, or so soon thereafter as is practicable. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of members and one share in the Association shall be issued to the applicant.
9. No person who is a minor shall be admitted to membership.
10. A member who is a nominee of an unincorporate body shall have entered against his name in the register of members the name of the unincorporate body by whom he has been nominated.
11. A member shall cease to be a member if he
  - (i) dies; or
  - (ii) in the case of a body corporate ceases to be a body corporate; or
  - (iii) is expelled; or
  - (iv) withdraws from the Association; or
  - (v) in the case of nominee of an unincorporate body, transfers his share to another nominee.
12. Any member may withdraw from the Association by giving the Secretary one month's notice in writing of his intention so to do.
13. (a) A member may be expelled by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at an annual or a special general meeting of the Association of which notice has been duly given, provided that a complaint in writing of conduct detrimental to the interests of the Association has been sent to him by order of the Board not less than one calendar month before the meeting. Such complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint and to attend the meeting called under this rule. At such meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice having been served upon him the member fails to attend the meeting without due cause the meeting may proceed in his absence.
  - (b) A person expelled from membership shall cease to be a member at the expiration of 28 days from the date at which the resolution to expel him was carried under the preceding paragraph of this rule.
  - (c) Subject to there being sufficient funds for payment of all existing claims against the Association known to the Board, a member so expelled shall at the date of the resolution for his expulsion be paid the value of any loan stock held by him.
  - (d) No person who has been expelled from membership shall be re-admitted except by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at any general meeting of which notice has been duly given.

## **DEPUTIES OF BODIES CORPORATE**

14. A body corporate, being a member, may by resolution of its governing body appoint and revoke the appointment of any person it thinks fit as a deputy who shall during the continuance of his appointment be entitled to exercise at any general meeting of the Association all such rights and powers as the body corporate appointing him could exercise if it were an individual person. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the clerk of the Council shall be sent to the Secretary of the Association.

## **SHARE CAPITAL**

15. The share capital of the Association shall be raised by the issue of shares of the nominal value of one pound each.
16. (a) Except as provided in this rule shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend or bonus, and shall not be held jointly.
- (b) Shares held by nominees of unincorporate bodies shall be transferable in such manner as the Board may from time to time determine and may be held jointly by any two persons, being nominees of any one unincorporate body.
17. On the death, expulsion or withdrawal from the Association of a member, his share, not being a share held jointly, shall be cancelled and the amount paid up thereon shall become the property of the Association.

## **BORROWING POWERS**

18. (a) The Association shall have the power to borrow money for the purposes of the Association provided that:-
- (i) at the time of borrowing the sum of the amount remaining undischarged of monies borrowed and the amount of the proposed borrowing shall not exceed One Hundred Million Pounds (£100,000,000) Sterling; and
- (ii) for the purposes of this rule the amount remaining undischarged at the time of borrowing of any index linked monies borrowed by the Association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such borrowing became repayable at that time and the amount of any proposed borrowing intended to be index linked or on any deep discounted security shall be deemed to be the net proceeds of such proposed borrowing receivable by the Association at the time of borrowing.
- (b) The rate of interest payable on any money borrowed other than from a member shall not exceed, in the opinion of the Board, the market rate of interest for borrowings of similar amount and on similar terms prevailing at the time of borrowing.
- (c) The rate of interest payable on any money borrowed from or loan stock issued to a member shall not exceed one per cent above The Clydesdale Bank Plc base lending rate.
- (d) The Association shall not receive money on deposit.
- (e) Subject to the foregoing provisions of this rule the Board shall have power to determine from time to time the terms and conditions upon which money is borrowed or loan stock is issued and to vary such terms and conditions.

19. The Association may receive from any person, whether member or not, donations towards the work of the Association.

### **GENERAL MEETINGS**

20. The Association shall within six calendar months after the close of each financial year of the Association hold a general meeting which shall be called the annual general meeting.
21. The functions of the annual general meeting shall be -
- (a) To receive the account and balance sheet referred to in rule 58;
  - (b) To appoint the auditor;
  - (c) To elect Board Members and to fix the remuneration (if any) of the Board;
  - (d) To transact any other general business of the Association included in the notice convening the meeting.
22. All general meetings other than annual general meetings shall be called special general meetings and shall be convened either upon an order of the Board or upon a written requisition signed by not less than one-tenth of the members stating the purpose for which the meeting is to be convened. If within fourteen days after delivery of a requisition to the Association a meeting is not convened, the members who have signed the requisition may convene a meeting in the manner provided for in rule 23. A special general meeting shall not transact any business other than that mentioned in the notice convening the meeting.
23. (a) A general meeting shall be convened by fourteen clear days' notice in writing at the least posted or delivered to every member at his registered address, specifying whether the meeting is an annual or special general meeting, stating the time, date and place thereof, and the general nature of the business for which it is convened. The accidental omission to send any notice to, or the non-receipt of any notice by, any member shall not invalidate the proceedings at that general meeting.
- (b) A notice or communication sent by post to a member at his registered address shall be deemed to have been duly served 24 hours after being posted.

### **PROCEEDINGS AT GENERAL MEETINGS**

24. (a) No business shall be transacted at any general meeting of the Association unless a quorum of members is present at the time the meeting proceeds to business. Six members or, if the number of members at any time exceeds sixty members, one-tenth thereof shall form a quorum.
- (b) If no quorum is present within half an hour of the time appointed for the meeting, the meeting, if convened on a requisition of the members, shall be dissolved, but in any other case shall stand adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the members present shall be a quorum.
25. (a) The Chairman of the meeting may with the consent of a majority of the members present adjourn any meeting, but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place.

- (b) Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on an earlier date. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
26. At all general meetings of the Association the chairman of the Board shall preside as chairman, or if there is no such chairman or if he is not present or if he is unwilling to act, the members present shall elect a member (who shall be a member of the Board if any such person is present and willing to act) to be the chairman of the meeting.
27. Subject to the provisions of these rules or of any Act of Parliament, a resolution put to the vote at a general meeting shall, except where a poll is demanded or directed, be decided upon a show of hands.
28. On a show of hands every member present in person, and on a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
29. Unless a poll be demanded, a declaration by the chairman that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry made to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
30. (a) A poll may be demanded either before or immediately after a vote by show of hands, by not less than one-tenth of the members present at the meeting (in person or by proxy) or may be directed by the chairman. A demand for a poll may be withdrawn.
- (b) If a poll be demanded or directed it shall be taken at such time being not less than seven days following the date on which the poll is demanded and in such manner as the chairman shall direct. The result of such a poll shall be deemed to be the resolution of the Association in general meeting.
31. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing and shall be deposited at the registered office of the Association not less than two clear days before the day fixed for holding the meeting at which the person named in such instrument is authorised to vote, and in default the instrument of proxy shall not be treated as valid. Any question as to the validity of a proxy shall be determined by the chairman of the meeting whose decision shall be final. A proxy need not be a member of the Association.
32. Any question as to the acceptability of any vote whether tendered personally or by proxy shall be determined by the chairman of the meeting, whose decision shall be final.

### **BOARD OF MANAGEMENT**

33. (a) The Association shall have a Board of Management (in these rules called "the Board") which shall manage the business of the Association.
- (b) The Board shall consist of seven Board Members, or if so determined as hereinafter mentioned, of such greater number not exceeding fifteen as may before the first annual general meeting be determined by the first Board Members and then from time to time by the Association in general meeting.

- (c) Until the first annual general meeting the Board shall consist of the seven members who have signed the application for registration of the Association, and such other persons, if any, as the Board may appoint within the limit provided by clause (b) of this rule.
34. (a) The Board may from time to time co-opt for any period any suitable persons, whether members of the Association or not, to serve on the Board or on a Committee of the Board and may remove such persons, and such persons may take part in the deliberations of the Board or Committee of the Board as the case may be and vote at any meetings thereof, on all matters excepting those directly affecting membership of the Association or the election of officers. For the purposes of these rules and of the Act such persons shall not be included in the expression "Board Members". Not more than five such persons shall serve on the Board at any one time.
- (b) The remuneration of Board Members and of persons co-opted to the Board shall be determined from time to time by the Association in general meeting, but the Board shall have power to remunerate any particular Board Member or person co-opted for special services rendered to the Association.
  - (c) Only members shall be eligible to become Board Members.

#### **ELECTION OF BOARD MEMBERS**

35. (a) At the first annual general meeting of the Association all the Board Members for the time being shall retire from office and at every subsequent annual general meeting one-third or the nearest number thereto of Board Members shall retire from office. The Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Board Members, but as between persons who became Board Members on the same day those to retire shall be chosen by lot. In reckoning the aforesaid one-third, any person appointed under rule 37 (b) shall not be taken into account.
- (b) A retiring Board Member shall be eligible for re-election without nomination.
36. (a) If at any annual general meeting the Board Members offering themselves for re-election together with any other members of the Association duly nominated for election to the Board do not exceed the number of Board Members to be elected, having regard to any determination made under rule 33 (b), the Board Members and members nominated shall be declared by the chairman to have been duly elected or re-elected. But if the said Board Members and members nominated together exceed the number of Board Members to be elected the meeting shall elect from amongst them the members to serve on the Board by ballot at the general meeting in the manner directed by the chairman. Each member present in person or by proxy shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.
- (b) Nominations for the Board shall be in writing, state the full name, address and occupation of the member nominated, be signed by the member making the nomination, contain a signed statement by the member nominated of his willingness to be elected and be left at the registered office not later than 3 days before the date appointed for the general meeting at which vacancies in the Board are to be filled.
37. (a) If a vacancy caused by the retirement or removal of any Board Member is not filled at the meeting at which he retires or is removed, the vacancy may be filled by the Board.
- (b) A casual vacancy on the Board occurring by death or resignation or under rule 39 may be filled by the Board and the member appointed to fill the vacancy shall retire at the next annual general meeting.

38. A Board Member may be removed from office by a resolution carried by two-thirds of the votes given thereon at a special general meeting which may proceed to fill the vacancy.
39. A Board Member shall be deemed to have vacated his office if he becomes bankrupt, or compounds with his creditors, or is convicted of an indictable offence, or ceases to be a member, and may, if the Board so decides, be deemed to have vacated his office if he absents himself from four consecutive meetings of the Board without special leave of absence. Any Board Member who is interested personally or as a member of a firm, director of a company, or officer of a bank or building society or in any other way whatsoever in any contract, arrangement or other transaction about to be discussed by the Board shall disclose his interest and not vote upon the matter under discussion, nor (unless requested so to do by the other members of the Board) remain during its discussion of such matter and if by inadvertence he does so remain and vote, his vote shall not be counted. Any Board member so interested shall not be accountable for any profit he may receive from such transaction, but he shall vacate his office either for a period or permanently if requested so to do by the remaining members of the Board, at a special meeting thereof convened to consider such request. Any act done in good faith by a Board Member whose office is vacated as aforesaid shall be valid unless prior to the doing of such act written notice has been served upon the Board and an entry has been made in the Board's minute book stating that such Board Member has ceased to be a member of the Board.

#### **PROCEEDINGS OF BOARD OF MANAGEMENT**

40. The Board shall meet at least three times in every calendar year at such times and places as they deem fit and seven clear day's notice of the date and place of such meetings shall be given in writing by the Secretary to all Board Members and persons co-opted to the Board. Three Board Members or such higher number as the Board may determine shall form a quorum.
41. Notwithstanding any vacancies on the Board, the remaining Board Members may continue to act. If at any time the number of Board Members falls below the number necessary for a quorum the remaining Board Members may act as the Board for a maximum period of six months, but, if at the end of that period the Board has not appointed Board Members to make the number up to that necessary for a quorum, the only power which the Board may thereafter exercise shall be the convening of a general meeting of the Association which may appoint such number of Board Members as is required to bring the number of members of the Board Members to the number required to comply with rule 33 (b).
42. The Board shall, at their first meeting after the registration of the Association and subsequently after each annual general meeting elect a chairman from their own number to hold office until the next annual general meeting. He shall be the chairman of the Association, and shall be removable from the office of chairman only by a vote of two-thirds of the members of the Board present at a special meeting called for that purpose. In case of an equality of votes the chairman shall have a casting vote. If at any meeting of the Board the chairman is absent the members of the Board present shall elect one of their number to be chairman of the meeting.
43. Meetings of the Board may be called either by the Secretary, or by a notice in writing given to the Secretary by the Chairman of the Board, or by two Board Members, specifying the business to be transacted thereat. The Secretary shall communicate every such notice to all Board Members and persons co-opted to the Board as soon as possible after the receipt thereof, and the meeting shall be held at the ordinary place for meetings of the Board not earlier than seven clear days and not later than fourteen clear days after the receipt by the Secretary of such notice. Should the Secretary fail to convene the special meeting as provided above, the Chairman of the Board, or the two Board Members who have given the notice in writing may call the meeting. No other business shall be done at the meeting than business named in the said notice.

## POWERS OF BOARD OF MANAGEMENT

44. The business of the Association shall be conducted by the Board which may exercise all such powers as may be exercised by the Association, and are not by these rules or by statute required to be exercised by the Association in general meeting, subject nevertheless to the provisions of these rules and any regulations not inconsistent with these rules made from time to time by the Association in general meeting. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Board have been restricted by any regulations so made. The Board shall in all things act for and in the name of the Association.
45. Without prejudice to the general powers conferred on the Board by these rules it is hereby expressly declared that the Board may exercise the following powers:-
  - (a) to purchase, sell, build upon, convert, extend, lease, mortgage, charge or exchange any property or land, and to enter into any contracts and settle the terms thereof;
  - (b) to compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association;
  - (c) to determine from time to time the terms and conditions upon which the property of the Association is to be let, and to make, revoke, and alter and at all times enforce as it thinks fit such terms and conditions;
  - (d) to appoint and remove all solicitors, architects, surveyors and employees of every description;
  - (e) to pay all such expenses, including travelling expenses, as are properly incurred by any Board Member or person co-opted to the Board or a sub-committee in the execution of his duties;
  - (f) to affiliate the Association to the National Federation of Housing Associations and pay an appropriate fee thereto.
46. A receiver appointed by a mortgagee may assume such powers of the Board as he deems to be necessary to carry out his duties.
47. The Board may delegate any of its powers to Committees of the Board consisting of such Board Members and other persons as it thinks fit, which shall in the functions entrusted to them conform to the instructions given to them by the Board, and any such Committee of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as they are applicable and by any regulations which may be imposed on it by the Board. There shall be no limit to the number of persons, not being Board Members or persons co-opted onto the Board, who may be appointed to each Committee of the Board provided that there shall always be a majority of persons on any Committee of the Board who are either Board Members or persons co-opted onto the Board.
48. All acts done in good faith by any meetings of the Board or of any Committee of the Board shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any Board Member or Board Members or that any one or more of them were disqualified be as valid as if every Board Member had been duly appointed and was duly qualified to serve.
49. A resolution in writing signed by all Board Members or by all the members of a Committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board duly called and constituted.

### **SECRETARY AND OTHER OFFICERS**

50. (a) The Association shall have a Secretary and such other officers as the Board may from time to time determine who shall be appointed and may be removed by the Board and who shall receive such remuneration (if any) as the Board shall determine.
- (b) The Secretary and the other officers, if any, aforementioned shall act under the superintendence, control and direction of the Board, and without prejudice thereto the Secretary shall in particular:-
- (i) summon and attend all meetings of the Association and of the Board and keep the minutes referred to in rule 60;
  - (ii) keep the register of members and other registers required to be kept by these rules; give notice to the Registrar within 14 days of any change in the situation of the registered office in the form prescribed by Treasury Regulations; prepare and send all returns required to be made to the Registrar; have charge of the seal of the Association;
  - (iii) unless the Board otherwise direct, keep all the books of accounts and receive all contributions and other payments due from the members and other persons to the Association and pay over the amount so received as the Board direct;
  - (iv) produce or give up all books, documents and property of the Association in his possession whenever required so to do by a resolution of the Board or of a general meeting.

### **SECURITY BY OFFICERS AND INDEMNITY**

51. The Board shall specify under the standing orders each officer whom it requires to be bound either with or without a cautioner as the Board determine in a bond according to one of the forms set out in Schedule 4 of the Industrial and Provident Societies Act, 1965, or to give the security of a guarantee society in such sum as the Board direct conditioned for his rendering a just and true account of all moneys received by him on account of the Association as a general meeting or the Board require him to do and for payment by him of all sums due from him to the Association.
52. Every officer shall be indemnified by the Association against all costs, losses and expenses which he may reasonably incur in discharge of his duties, including travelling expenses, and the amount for which such indemnity is provided shall immediately attach as a charge on the property of the Association.
53. No officer shall be liable for any loss happening to the Association through the execution of the duties of his office, unless the loss be the consequence of his own dishonesty.

### **INVESTMENT**

54. The funds of the Association may with the authority of the Board be invested in accordance with Section 31 of the Industrial and Provident Societies Act 1965 namely:-
- (a) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rent charge, rent or other security (not being securities payable to bearer) authorised by or under any Act of any local authority within the meaning of the Local Loans Act 1875;

- (b) in the shares or on the security of any other registered society of any society registered under the Building Societies Acts or of any company registered under the Companies Acts or incorporated by Act of Parliament or by Charter being a Society or Company with limited liability;
- (c) in or upon any other security being a security in which Trustees are for the time being authorised by law to invest for which purpose Sections 1 to 6 of the Trustees Investments Act 1961 shall apply as if the Society were a Trustee and its funds were Trust property.

### **APPLICATION OF PROFITS**

55. (a) No portion of the income or property of the Association shall be paid or transferred either directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to members of the Association.
- (b) Subject to clause (c) of this rule an annual general meeting may out of the profits:-
- (i) Set aside to reserve such sum (not exceeding the amount recommended by the Board) as it may direct, which may be applied in or towards carrying out the objects of the Association.
  - (ii) Without prejudice to the generality of clause 55(b) (i) above, set aside to reserve such sum (not exceeding an amount recommended by the Board of Management) as it may direct for the purpose of forming, assisting in the formation of, assisting directly or indirectly or financing by way of gift or loan, Housing Associations or Trusts as defined by Section 338 of the Housing (Scotland) Act 1987 whose objects are the same as or similar to the Association provided always that these objects are charitable.
  - (iii) If any amount has been set aside by the annual general meeting to reserve as aforesaid, allocate out of the remainder of the profits such sum as it may direct to a common fund to be used for such charitable purposes as the Board shall from time to time determine.
- (c) Any of the profits not so applied shall be carried forward.

### **AUDIT**

56. (a) There shall be appointed in each year of account a qualified auditor to audit the Association'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.
- (b) None of the following persons shall be appointed as auditor of the Association:
- (i) an officer or servant of the Association;
  - (ii) a person who is a partner of or in the employment of or who employs an officer or servant of the Association; or
  - (iii) a body corporate.
- (c) Save as provided in paragraph (d) of this rule every appointment of an auditor shall be made by resolution of a general meeting of the Association.

- (d) The first appointment of an auditor shall be made within three months of the registration of the Association and shall be made by the Board if no general meeting of the Association is held within that time. The Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Association.
- (e) An auditor appointed to audit the accounts and balance sheet of the Association for the preceding year of account (whether by a general meeting or by the Board) shall be re-appointed as auditor of the Association for the current year of account (whether or not any resolution expressly re-appointing him has been passed) unless:
  - (i) a resolution has been passed at a general meeting of the Association appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
  - (ii) he has given to the Association notice in writing of his unwillingness to be re-appointed; or
  - (iii) he is not a qualified auditor or is a person mentioned in paragraph (b) of this rule; or
  - (iv) he has ceased to act as auditor of the Association by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed if notice of an intended resolution to appoint another person in his place has been given in accordance with paragraph (f) of this rule 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 mentioned in paragraph (b) of this rule.

- (f) A resolution at a general meeting of the Association:
  - (i) appointing another person as auditor in place of a retiring auditor; or
  - (ii) providing expressly that a retiring auditor shall not be re-appointed shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-eight days before the meeting at which it is to be moved. On receipt by the Association of notice of such an intended resolution the Association shall forthwith send a copy of the notice to the retiring auditor. If it is practicable to do so the Association shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these rules of the meeting at which the resolution is to be moved or, if that is not practicable, by advertisement not less than fourteen days before the said meeting in a newspaper circulating in the area in which the Association conducts its business. Where the retiring auditor makes any representations in writing to the Association with respect to the intended resolution or notifies the Association that he intends to make such representations, the Association shall notify the members accordingly as required by Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

57. The auditor shall in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968 make a report to the Association on the accounts examined by him and on the revenue account or accounts and the balance sheet of the Association for the year of account in respect of which he is appointed.

58. The Board shall lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting, accompanied by a report by the Board on the position of the affairs of the Association signed by the chairman of the Board meeting at which the report is adopted. The account shall be made up to 31 March in each year.

### **DISPUTES**

59. (a) Every dispute between a member or any person aggrieved who has not for more than six months ceased to be member, or any person claiming through such member or person aggrieved or claiming under the rules of the Association and the Association or an officer thereof, shall be submitted to an Arbiter appointed by the National Federation of Housing Associations and his decision shall be binding and conclusive on all parties without appeal, and shall not be removable into any Court of Law or restrainable by interdict, and application for the enforcement thereof may be made by the Association to the Sheriff Court.
- (b) The costs of the arbitration shall be borne as the Arbiter directs, and the complaining party shall before the arbitration deposit with the Association the sum of Fifty Pounds (£50) Sterling to abide the decision reached by the Arbiter.

### **MINUTES, SEAL, REGISTERS AND BOOKS**

60. Minutes of every general meeting and of every meeting of the Board shall be kept and such minutes shall be read at the next of such meetings respectively and signed by the chairman of the meeting at which they are so read. All minutes so signed shall be conclusive evidence of any fact stated therein.
61. The Association shall have a seal which shall be kept in the custody of the Secretary and shall be used only under the authority of a resolution of the Board, and the affixing of the seal shall be attested by the signatures of two Board Members and the counter-signature of the Secretary for the time being.
62. The Association shall keep at its registered office:
- (a) a register of members in which the Secretary shall enter the following particulars -
- (i) the names and addresses of the members;
  - (ii) a statement of the share held by each member and the amount paid therefore;
  - (iii) a statement of other property in the Association whether in loans or loan stock, held by each member;
  - (iv) 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;
  - (v) the names and addresses of the officers of the Association with the offices held by them respectively and the dates on which they assumed office.
- (b) a duplicate register of members in which the Secretary shall enter all the particulars in the original register of members other than those mentioned in paragraph (a) (ii) and (iii) of this rule. The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive that such person is or is not a member of the Association;

- (c) a register of the holders of loan stock in which the Secretary shall enter such particulars as the Board direct and register all transfers of loan stock;
  - (d) a register in which the Secretary shall enter such particulars of all mortgages and charges on land of the Association as the Board direct.
63. The Association shall keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
64. The Association shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances.

### **ANNUAL RETURNS AND BALANCE SHEETS**

65. Every year not later than 31 March or where the Return is made up to a date allowed by the Registrar not later than three months after such date the Secretary shall send to the Registrar the annual return in the form prescribed by the Chief Registrar of Friendly Societies relating to its affairs for the period required by the Act to be included in the return together with:
- (a) a copy of the report of the auditor on the Association's accounts for the period included in the return; and
  - (b) a copy of each balance sheet made during that period and of any report of the auditor on that balance sheet.
66. The Association shall supply gratuitously to every member or person interested in the funds of the Association on his application a copy of the last annual return of the Association for the time being together with a copy of the report of the auditor on the accounts and balance sheet contained in the return.
67. The Association shall keep a copy of the last balance sheet for the time being together with the report made thereon by the auditor, always hung up in a conspicuous place at its registered office.

### **INSPECTION OF BOOKS**

68. Any member or person having an interest in the funds of the Association shall be allowed to inspect his own account and the books containing the names of the members, including all particulars in the duplicate register of members, at all reasonable hours at the registered office of the Association or at any place where the same are kept, subject to such conditions as to the time and manner of such inspection as may be made from time to time by the general meetings of the Association.

### **STATUTORY APPLICATIONS TO THE REGISTRAR**

69. (a) Any ten members each of whom has been a member of the Association for not less than twelve months immediately preceding the date of the application may apply to the Registrar in the form prescribed by Treasury Regulations to appoint an accountant or actuary to inspect the books of the Association and to report thereon.
- (b) One-tenth of the whole number of members, or if the number shall at any time exceed 1,000, 100 members, may apply to the Chief Registrar in the form prescribed by Treasury Regulations:

- (i) for the Appointment of an Inspector or Inspectors to examine into the affairs of the Association and to report thereon; or
- (ii) for the calling of a special general meeting of the Association.

### **COPIES OF RULES TO BE SUPPLIED**

70. The Secretary shall deliver a copy of the rules of the Association to every person on demand on payment of a sum not exceeding Ten pence.

### **PROCEEDINGS ON DEATH AND BANKRUPTCY OF A MEMBER**

71. Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Association belonging to the deceased or bankrupt member the Association shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

### **NOMINATIONS**

72. (a) A member may in accordance with the Act nominate any person or persons to whom any of his property in the Association at the time of his death shall be transferred but such nomination shall only be valid to the extent of the amount for the time being provided in the Act.
- (b) On receiving satisfactory proof of death of a member who has made a nomination the Board shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

### **AMENDMENT OF RULES**

73. Any rule of the Association may be rescinded or amended, or a new rule may be made in the manner provided in the following rule but no rule shall be amended or rescinded or a new rule made so as to cause the Association to cease to be a charity.
74. (a) Rules 2, 15, 16, 40, 55, 73 and this rule are hereby declared to be fundamental, and shall not be amended or rescinded except by a resolution carried by three-fourths of the votes given thereon at a special general meeting of which notice has been given specifying the intention to propose such amendment or rescission.
- (b) Any rule not declared to be fundamental may be rescinded or amended, or a new rule may be made, by a resolution carried by two-thirds of the votes given thereon at any special meeting of which notice has been given specifying the intention to propose such rescission, amendment or new rule.
75. Application for the registration of every amendment of rules shall be made to the Registrar in manner and form required by Treasury Regulations as soon as practicable after the same has been made, and a copy shall be issued to every member and supplied with every copy of the rules issued after the registration thereof. No amendment of rules is valid until registered.

## DISSOLUTION

76. The Association may be dissolved by the consent of three-fourths of the members testified by their signatures to an instrument of dissolution in the form provided by Treasury Regulations or by winding-up in the manner provided by the Act.
77. If on the winding-up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Association but shall be given or transferred to some other charitable institution having objects similar to the objects of the Association determined by the members of the Association at or before the time of dissolution, of if there is no such charitable institution to the Housing Societies Charitable Trust or other charitable object to be determined in like manner.

## INTERPRETATION OF TERMS

78. In these rules, including this rule, unless the subject matter or context are inconsistent therewith -
- (a) words importing the singular or plural shall include the plural and singular respectively;
  - (b) words importing the masculine gender shall include females;
  - (c) "The Act" shall mean the Industrial and Provident Societies Acts, 1965 to 1968, or any Act or Acts amending or in substitution for the same and for the time being in force;
  - (d) "The Registrar" shall have the meaning given to it by the Act;
  - (e) "Property" shall include all heritable moveable estate (including loan stock certificates, books and papers);
  - (f) "These rules" shall mean the registered rules of the Association for the time being;
  - (g) "Amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
  - (h) "Persons claiming through a member" shall include his personal representatives and also his nominees where a nomination has been made;
  - (i) "The Association" shall mean the Association whereof these are the registered rules;
  - (j) "Member" shall mean one of the persons referred to in Rule 6;
  - (k) "Board" or "Board of Management" shall mean the Board appointed in accordance with Rule 33 and "Board Member" shall mean a member of the Board for the time being but shall not include a person co-opted to the Board under Rule 34;
  - (l) "Officer" shall include the chairman and secretary of the Association and any Board Member for the time being and such other officers as the Board may appoint under rule 50;
  - (m) "Secretary" means the officer appointed by the Board to be the Secretary of the Association or other person authorised by the Board to act as his deputy;
  - (n) "Housing Association" has the meaning given by Section 208 (1) of the Housing (Scotland) Act, 1966;
  - (o) "Register of members" means the register kept in accordance with rule 62.