

## OASIS RESTORE TRUST – ARTICLES OF ASSOCIATION – KEY FEATURES

For the purposes of the consultation process, we have prepared a broad summary of the key provisions of the Articles of Association for Oasis Restore Trust and this is set out in the Annex below. This is to assist consultees in getting a better understanding of the charitable company which will be operating the Secure School (referred to in this Note as the “Academy”). Please note that as this is a summary only; the full text of the Articles of Association should be consulted in full in order to interpret or rely on them. The Articles of Association can be found on [Companies House](#).

**Stone King LLP – November 2022**

## **ANNEX – SUMMARY OF THE KEY PROVISIONS IN THE SECURE SCHOOL ARTICLES**

### **A. INTERPRETATION**

Article 1 defines the terms used throughout the Articles and sets out rules for interpreting the Articles. Please consult Article 1 when considering the meaning of any terms used in the Articles (or, where relevant, in this Note).

### **B. NAME & REGISTERED OFFICE**

Article 2 sets out the name of the Secure Academy Trust. The Articles provide that the registered office of the Secure Academy Trust is situated in England and Wales.

### **C. OBJECTS OF THE SECURE ACADEMY TRUST**

The objects of the Secure Academy Trust are set out in Article 4<sup>1</sup>. The objects are restricted to specific defined charitable purposes. To consider the objects the Articles should be reviewed in full, in broad summary though these are restricted to advancing education in the UK for the public benefit, advancing physical and mental health in children and young people, promoting social inclusion, and developing the capacity and skills of children and young people.

### **D. POWERS OF THE SECURE ACADEMY TRUST**

Article 5 sets out the powers of the Secure Academy Trust (i.e. what it can do). It is a broad list of powers, which are quite standard for a charitable company limited by guarantee. Note that, Article 5(g) permits the Secure Academy Trust to establish, maintain, carry on, manage and develop the Academy. It should also be noted that Article 5(r) includes a general power to “do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Objects”.

### **E. USE OF INCOME & TRUSTE/MEMBER BENEFITS**

Article 6 concerns how the income and property of the Secure Academy Trust may be applied and in what circumstances Members, Trustees and connected parties, may receive benefits (financial or otherwise) from the Secure Academy Trust. As with the objects of the Secure Academy Trust, these are key provisions which are regulated by the Charity Commission and any alteration to the articles of association which would provide authorisation for any benefit to be obtained by the Members, Trustees or persons connected with the Members or Trustees, would require Charity Commission consent<sup>2</sup>.

It should also be taken into account that whilst Article 6 sets out certain procedures and requirements in relation to the application of the Secure Academy Trust’s income and property, thought also needs to be given to the requirements of the Secure Academy Trust’s funding agreement and legislation (in particular company and charity law).

In summary, Article 6 provides that:

- income and property of the Secure Academy Trust shall be applied only towards the promotion of the Objects and shall not be paid directly or indirectly to any Member of the Secure Academy Trust. Members may though receive certain defined benefits from the Secure Academy Trust set out in Article 6.2, providing that the procedures set out in Article 6.2A are followed (for example that any benefits are reasonable in all the circumstances, formally authorised by the Trustees, and recorded by the Trustees in the minute book) (Articles 6.1 - 6.2A);
- a Trustee may benefit from any indemnity arrangement purchased at the Secure Academy Trust’s expense, or any arrangement agreed with the Secretary of State to cover certain liabilities of Trustees. Note that there are limitations as to what the indemnity arrangement may cover, e.g. it cannot indemnify Trustees against liability incurred due to conduct which the Trustees knew (or reasonably ought to have known) was a breach of trust or breach of duty, or where the Trustees did not care whether or

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<sup>1</sup> Please note that the objects wording has been agreed with the Ministry of Justice and Charity Commission and whilst this wording is currently shown as being in square brackets in the version of the Articles filed at Companies House, the square brackets are to be removed with no other changes made to the objects.

<sup>2</sup> See S.198 of the Charities Act 2011  
15996025.2

not it was a breach of trust or breach of duty. Furthermore, a Trustee cannot benefit from any indemnity arrangement prohibited by the Charities Act 2011, Companies Act 2006 or any other piece of legislation (Article 6.3);

- a public company with listed shares (in which a Trustee holds no more than 1%) may receive fees, remuneration or other benefit in money or money's worth from the Secure Academy Trust (Article 6.4);
- a Trustee may, at the discretion of the Trustees, be reimbursed for reasonable expenses incurred on behalf of the Secure Academy Trust (excluding foreign travel) (Article 6.5);
- there is a general prohibition on a Trustee receiving a financial benefit from the Secure Academy Trust (e.g. by buying/selling goods, being employed, receiving other remuneration), save where the benefit in question is expressly permitted by the Articles and the procedure set out in Article 6.8 is followed (or the prior written consent of the Charity Commission is obtained). The Head Teacher, to the extent they are a Trustee, is expressly permitted to be employed by the Secure Academy Trust provided the procedures set out in Article 6.8 are followed (Article 6.6);
- Articles 6.7 and 6.8 allow a Trustee to receive a benefit in certain circumstances (including as a beneficiary, as an employee, as a contracting party for goods or services, by receiving interest (but at an intentionally low rate) or by receiving rent for premises), provided that:
  - the remuneration/sum paid is reasonable;
  - the relevant Trustee absents himself during related discussion at meetings (and does not vote on such matter);
  - the relevant Trustee is not counted when calculating the quorum for the meeting;
  - the Trustees are satisfied that it is in the interests of the Secure Academy Trust to employ/contract with the Trustee rather than someone who is not a Trustee and both the advantages and disadvantages are considered (note this step does not apply when employing or contracting with the Head teacher);
  - the decision is recorded in the minutes; and
  - a majority of Trustees in office have received no such payments or benefit;
- there is a further exception to the general rules on employing or receiving remuneration from the Secure Academy Trust so that these do not apply to an employee of the Secure Academy Trust who is subsequently elected or appointed as a Trustee. Such person may only receive remuneration or benefit in their capacity as an employee of the Secure Academy Trust and the procedures set out in Articles 6.8(b) and 6.8(c) must still be followed (Article 6.8A); and
- it is important to remember that Articles 6.2 and 6.6-6.8A also apply to certain parties connected with the Secure Academy Trust (such as subsidiary companies) or its Trustees (such as certain family members or certain firms/companies which a Trustee has a connection with). The procedures for applying Trustee benefits should also be considered in light of any relevant connected parties (Article 6.9).

## **F. LIMITED LIABILITY & SECURE ACADEMY TRUST PROPERTY ON CLOSURE**

The Secure Academy Trust is a limited company (see Article 7) and, as noted above, more specifically a company limited by guarantee. The Articles set out the amount of the guarantee which the Members of the Secure Academy Trust must each provide if the Secure Academy Trust was to be wound up whilst they are a Member (or within one year of them ceasing to be a Member). The amount of the guarantee is limited to the nominal amount of £10 (see Article 8).

Article 9 provides that should the Secure Academy Trust be wound up or dissolved, and there is any property remaining after the Secure Academy Trust's debts and liabilities have been met, the remaining property shall be transferred to a charity/charities having similar objects. The property cannot be distributed to the Members of the Secure Academy Trust, unless a Member is itself a charity fulfilling the criteria in Article 9.

## **G. RESTRICTIONS ON AMENDING THE ARTICLES TO PROTECT CHARITY STATUS**

Article 11 states that the Articles may not be amended if that amendment would prevent the Secure Academy Trust from being a company under the Companies Act 2006 or from being a charity.

## **H. MEMBERS**

Article 12 sets out the structure of the membership of the Secure Academy Trust and requires there to be a minimum of one Member at all times.

The only Member of the Trust is Oasis Charitable Trust (company number 02818823). They are a corporate Member and will be represented by a nominated individual from that charity.

Under Article 12 the structure of the membership includes:

- the signatories to the memorandum of association (i.e. Oasis Charitable Trust);
- any persons appointed by a special resolution of the Members (see Article 15AA).

Article 12A makes clear that employees of the Secure Academy Trust are not permitted to become Members and Article 12B provides that there must be a majority of Members who are not also Trustees.

## **I. MEMBERS – APPOINTMENT, TERMINATION, DISQUALIFICATION & RESIGNATION**

Articles 13 and 14 concern where a specific person or body has a right to appoint or remove Members. The appointing person/body must give written notice to the Secure Academy Trust's Governance Professional to remove an appointee or to fill a vacancy. As per Article 18, a notice will not take effect if the removal would bring the number of Members to less than one.

Article 15 sets out the circumstances when a Member can be disqualified from holding office or their membership terminates. The list of termination/disqualification circumstances should be consulted in full but in summary include where a Member:

- becomes incapable of managing or administering their affairs, due to illness or injury (see Article 15(a));
- is declared bankrupt or subject to bankruptcy restrictions (see full details at Article 15(b));
- that is a corporate entity, ceases to exist or becomes insolvent (see full details at Article 15(c));
- is convicted of a Serious Criminal Offence (see Article 15(d) and definition of "Serious Criminal Offence" in Article 1);
- has not provided a criminal records certificate at an enhanced level or the certificate reveals information that the Chair considers makes the person unsuitable for their role (see Article 15(e)); or
- refuses to consent to any checks required by the Secretary of State, or is found to be unsuitable to be a Member by the Secretary of State, under the requirements of the Secure Academy Trust's Funding Agreement (see details in Articles 15(f) and (g));
- becomes an employee of the Secure Academy Trust (see Article 15(h)); or
- would be disqualified for being a Trustee for any reason, whether or not the Member is a Trustee (see Article 15(i)).

Where a person is rendered disqualified as a Member or a prospective Member by a provision under the Articles, the person upon becoming disqualified is required to give written notice to the Governance Professional of the Secure Academy Trust (Article 15A).

Article 16 allows any Members to be removed if the other Members pass a special resolution to do so. The relevant Member concerned cannot vote on the resolution.

Any person to be appointed as a Member must sign a written consent and sign the register of Members on appointment (see Article 17). Under Article 18, a Member may resign their position, provided at least one Member remains in place after their resignation.

## **J. MEMBERS AND CHARITABLE OBJECTS**

Article 16A requires the Members not to do anything that would contravene the Secure Academy Trust's objects when exercising their rights under the Articles or the Companies Act 2006.

## **K. SOLE MEMBER**

Article 18A requires that where there is only one Member, all business that requires Member approval shall be conducted by way of an appropriate written resolution (unless otherwise required by law).

## **L. MEMBERS – ANNUAL GENERAL MEETINGS**

Many of the requirements and procedures set out in Articles 19 to 44 derive from company law (to protect the rights of company members) and the Companies Act 2006 may also need to be consulted to understand the relevant procedures referred to.

Article 19 requires the Secure Academy Trust to hold an Annual General Meeting (**AGM**) unless the Secure Academy Trust only has one Member (note this is a MOJ requirement, rather than a requirement of company law as under company law limited companies may, but are not required, to hold AGMs). Currently, the Secure Academy Trust has a sole Member and is therefore not required to hold an AGM however if more Members were to be appointed, an AGM would be required each Financial Year. There cannot be more than a 15-month gap between AGMs.

The notice of an AGM must specify that it is for an AGM. The Trustees determine the time and place of an AGM. Any other meetings of the Members are known as "**General Meetings**".

## **M. MEMBERS – ARRANGEMENTS, NOTICE AND PROCEEDINGS FOR GENERAL MEETINGS**

Article 20 provides that Trustees may call General Meetings. Article 20 also makes clear that Trustees must call a General Meeting, if requested to do so by the Members (pursuant to procedures set out in the Companies Act 2006).

Article 21 provides that General Meetings require 14 clear days<sup>3</sup> notice but may be called at short notice (if agreed by a majority of the Members having at least 90% of the voting power). Article 21A sets out what needs to be included in the notice of a General Meeting (and AGM) and requires that the notice is sent to all Trustees, Members and auditors. Article 22 clarifies that accidentally omitting to give a notice, or a non-receipt of a notice, does not invalidate the proceedings of a meeting.

Articles 23 to 35 concern the proceedings at General Meetings and include that:

- a quorum is required for business to be transacted, the quorum being a majority of Members present (in person or by proxy) and entitled to vote on the business to be transacted. If a quorum is not present, the meeting is adjourned;
- participants can attend in person, or by any suitable electronic means providing all participants can communicate with each other. A person participating in this way will count towards the quorum and be entitled to vote;
- the Members present and entitled to vote at the meeting elect, by ordinary resolution<sup>4</sup>, one of their number to act as chair;
- Trustees are entitled to attend and speak at a General Meeting (or AGM);
- there are procedures concerning the adjournment of meeting which need to be adhered to; and
- resolutions shall be determined by a show of hands, unless a poll is demanded (by the Chair, at least one Member having the right to vote, or by any Member/Members with not less than one tenth of the voting rights). There are procedures regarding the use of a poll.

As an alternative to resolutions being passed in a General Meeting, Article 35 provides that resolutions also can be made "in writing" (which may include a resolution in electronic form). There are additional procedures for the passing of written resolutions set out in the Companies Act 2006.

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<sup>3</sup> A definition of "clear days" is set out in Article 1 of the Articles

<sup>4</sup> An ordinary resolution is a resolution of the members which is passed by a simple majority (i.e. over 50% must agree)  
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## **N. MEMBERS – VOTES & PROXIES**

Articles 36 to 39 concern voting procedures for Members in General Meetings and provide that each Member has one vote (providing no monies are payable by them to the Secure Academy Trust).

As set out above, as the Secure Academy Trust has one sole Member, all business that requires Member approval shall be conducted by way of an appropriate written resolution, unless otherwise required by law.

Articles 40 to 44 set out how Members may vote by “proxy”, A proxy is an individual appointed to attend and vote at a meeting on a Member’s behalf, if the Member themselves is unable to attend. Articles 40 to 44 set out procedures as to how proxies are appointed and how they vote on a Member’s behalf.

## **O. TRUSTEES**

Articles 45 to 47 set out requirements concerning the composition of the board of Trustees, in summary:

- there must be at least three Trustees (but no maximum is required unless determined otherwise by ordinary resolution);
- the Members may appoint Trustees by ordinary resolution; and
- Co-opted Trustees may also be appointed by the Trustees (although Trustees who been co-opted cannot vote on the co-option of a Trustee).

Article 57 also allows the Head Teacher to be appointed as a Trustee (see below).

## **P. TRUSTEES - APPOINTMENT**

Articles 50 to 58 set out various procedures and requirements concerning the appointment of Trustees and should be considered whenever a new Trustee is to be appointed/elected.

There is a restriction on the number of employees that may be appointed as Trustees, with a cap that no more than one third of the total number of Trustees may be employees (see Article 50B). The benefits and risk of appointing the Head teacher or other employees as Trustees should be considered.

Article 57 allows the Members to appoint the Head teacher as a Trustee by ordinary resolution, so long as the appointee agrees to act as a Trustee.

## **Q. TRUSTEES - TERM OF OFFICE**

Article 64 states that the term of office of a Trustee shall be four years. The term of office though can be shorter than four years if the Members (or in the case of a Co-opted Trustee, the Trustees) determine this at the time of appointment. A Trustee may be re-elected to be a particular type of Trustee if they are eligible.

## **R. TRUSTEES - RESIGNATION AND REMOVAL**

Articles 65 to 67 concern how Trustees may resign or be removed from office. A Trustee may resign in writing (provided no less than three Trustees remain in office). A Trustee can also be removed from office by the person or persons that appointed or elected them. As a matter of company law a Trustee can also be removed by the Members by ordinary resolution and in accordance with the procedures set out in the Companies Act 2006.

A resigning Trustee or the persons removing the Trustee must give written notice to the Secure Academy Trust’s Governance Professional of the resignation/removal.

## **S. TRUSTEES – DISQUALIFICATION**

Articles 68 to 74 and 77 to 79 concern how Trustees may be disqualified from holding office. The Articles should be checked in full to understand the disqualification rules but in summary they provide that a Trustee is disqualified or unable to be appointed as a Trustee if they:

- are not at least 18 or they are a current pupil of any of the academy (Article 68);
- become incapable of managing or administering their affairs, due to illness or injury (Article 69);

- are absent without permission for meetings held over 6 months and the Trustees agree their office should be vacated (Article 70);
- are declared bankrupt or subject to bankruptcy restrictions (see full details at Article 71);
- are subject to a disqualification order/undertaking under the Company Trustees Disqualification Act 1986 or an order under the Insolvency Act 1986 (Article 72);
- cease to be a Trustee by virtue of the Companies Act 2006 or the S.178 of the Charities Act 2011 (Article 73);
- are removed as a Trustee by an order of the Charity Commission or High Court (see full details in Article 74);
- are convicted of a Serious Criminal Offence (see Article 77 and definition of “Serious Criminal Offence” in Article 1);
- do not provide a criminal records certificate at an enhanced level or the certificate reveals information that the Chair considers to make this person unsuitable for their role (Article 78); or
- refuse to consent to any checks required by the Secretary of State, or are found to be unsuitable to be a Trustee by the Secretary of State, under the requirements of the Secure Academy Trust’s Funding Agreement and/or the Education (Independent School Standards) Regulations 2014 (Article 78A);

A serving Trustee, or proposed Trustee, must inform the Governance Professional in writing if they become disqualified under the Articles (Article 79).

Note other than Article 78A, the above Articles on disqualification also apply to any committee member, or any delegate of the Trustees who is not a Trustee (see Article 80).

#### **T. GOVERNANCE PROFESSIONAL TO THE TRUSTEES**

Under Article 81 the Trustees must appoint a Governance Professional for such term and remuneration as they see fit. The Governance Professional cannot be a Trustee or the Head teacher. If the Secure Academy Trust has appointed a company secretary, the Governance Professional may also be the company secretary, although this is not a requirement.

#### **U. CHAIR AND VICE-CHAIR OF THE TRUSTEES**

Articles 82 to 92 concern the appointment and removal of the Chair and Vice-Chair and provide:

- that the Trustees elect a Chair and a Vice-Chair each school year from amongst their number (employees of the Secure Academy Trust are not eligible to be elected) and if a vacancy arises, an election is made at the next meeting to fill the vacancy (Articles 82 and 85);
- that the office of the Chair/Vice-Chair runs until a replacement is elected, although the current officer-holder may resign by giving notice to the Governance Professional (Article 84);
- that the Chair/Vice-Chair cease to hold office if they cease to be Trustee; become employed by Secure Academy Trust; are removed from office (in accordance with the Articles); or, in the case of the Vice-Chair, they are elected to the office of Chair (Article 84);
- that if the Chair is absent or the position is vacant, the Vice-Chair acts as the chair (Article 86); and
- a process to remove a serving Chair/Vice Chair (see Articles 91 and 92).

#### **V. TRUSTEES - POWERS**

Article 93 provides that the business of the Secure Academy Trust is managed by the Trustees who are able to exercise all the powers of the Secure Academy Trust. This general power though is subject to anything contrary which may be set out in the Companies Act 2006, the Articles or any directions given by special resolution of the Members.

Article 94 further clarifies that the Trustees may expend the Secure Academy Trust’s funds to pursue the Secure Academy Trust’s objects, invest in the Secure Academy Trust’s name, and

direct the sale or transfer of such investments. Article 94 also makes clear that the Trustees have the power to enter into contracts on the Secure Academy Trust's behalf. In exercising their powers, the Trustees may consider advice of the Head teacher (to the extent they are not a Trustee) and any other executive officer (Article 95).

Any bank account, where monies of the Secure Academy Trust are to be deposited, is to be operated by the Trustees in the name of the Secure Academy Trust. All cheques and orders for payment from the bank account must be signed by at least two signatories authorised by the Trustees (Article 96).

#### **W. TRUSTEES - CONFLICTS OF INTEREST AND DUTY OF LOYALTY**

Articles 97 and 98 concern procedures for conflicts of interest. These Articles apply to Trustees, but also to the Secure Academy Trust's committee members and delegates (Article 80). Where a Trustee (or committee member etc) has any direct or indirect duty or personal interest which conflicts or may conflict with their duties as a Trustee (or committee member etc), this must be disclosed to the Trustees as soon as the person becomes aware of it. The person must absent themselves from any discussions in which it is possible that a conflict will arise between their duty to act solely in the interest of the Secure Academy Trust and any duty or personal interest.

If a conflict of loyalty arises because of a duty of loyalty owed by a Trustee to another organisation or person and the conflict is not authorised under the Articles, the unconflicted Trustees are able to authorise such a conflict where they are absent from the part of the meeting where the arrangement or transaction is discussed; they do not vote on the matter and do not count in the quorum; and the unconflicted Trustees consider it to be in the interests of the Academy in the circumstances. This exception only applies where the Trustee or a connected person does not have a direct or indirect benefit from the conflict.

#### **X. TRUSTEES' MEETINGS - MINUTES**

Article 99 requires that the minutes of the Trustees' meetings are recorded and kept by the Governance Professional and (subject to the approval of the Trustees) be signed by the person acting as chair at the same or subsequent meeting.

#### **Y. TRUSTEES' COMMITTEES**

Article 100 provides that the Trustees may establish committees.

Subject to the Articles, the constitution, membership and proceedings of each committee is determined by the board of Trustees, with the terms of reference, constitution and the membership to be reviewed at least once a year (Article 101). The functions duties and proceedings of committees are subject to regulations made by the Trustees from time to time (Article 104).

Under the Articles, committees must include a majority of Trustees and a vote at a meeting of such a committee cannot proceed unless a majority of the committee members present are Trustees (Article 101).

#### **Z. TRUSTEES - DELEGATION**

Articles 105 and 106 provide that the Trustees may delegate powers or functions (including the power to sub-delegate) to any Trustee, committee, the Head teacher, or any other holder of an executive office. The delegation and sub-delegation must be in writing and can be subject to conditions of the Trustees. Any sub-delegation must also be reported to the Trustees. Where any delegated or sub-delegated power or function has been exercised, the delegate/sub-delegate must report to the Trustees, in respect of any action taken, at the next meeting of the Trustees.

#### **AA. HEAD TEACHER**

The Trustees shall appoint the Head teacher of the academy. The Trustees can delegate such functions as they consider are required by the Head teacher for the internal organisation, management and control of the Academy (Articles 107).

#### **BB. TRUSTEES' MEETINGS**

Articles 108 to 126A concern the procedures for meetings and decision-making of the board of Trustees. In summary:

- the Trustees may regulate their own proceedings, provided they comply with the procedures in the Articles (Article 108);

- the Trustees shall hold at least three meetings each school year, convened by the Governance Professional. The Governance Professional must comply with any direction given by the Trustees or (providing it is not inconsistent with a direction of the Trustees) the Chair (Article 109);
- any three Trustees may requisition a meeting by written notice to the Governance Professional (Article 110);
- at least 7 clear days' notice in writing should be given to Trustees for meetings, along with a copy of the agenda for the meeting. The Chair, or Vice-Chair in their absence, can direct that a shorter period of notice be given where there are matters demanding urgent attention (Article 111). A meeting is not invalidated if an individual fails to receive a notice/agenda;
- there are specific procedures for terminating or adjourning meetings or rescinding or varying resolutions (Articles 113-116);
- the usual quorum for a Trustees' meeting, and any vote at a meeting, is three Trustees or, where greater, one third of the total number of Trustees (rounded up to a whole number) (Article 117). A higher quorum of two thirds of the Trustees present and able to vote at the meeting (rounded up to a whole number) is needed to vote on the removal of a Trustee (in accordance with Article 66) or the removal of the Chair (in accordance with Article 90) (Article 119);
- the Trustees can still act despite any vacancies on the board, but where the number of Trustees is less than the number required for the quorum, the Trustees may only act to fill a vacancy or call a General Meeting. Proceedings are not invalidated by vacancies or any defect in the election/appointment/nomination of a Trustee (Articles 118 and 122);
- unless stated otherwise, voting is determined on a majority basis with each Trustee present and able to vote, having one vote (Article 120). In the event of an equal division of votes, the Chair shall have a casting vote (Article 121);
- the Trustees may resolve matters in writing, rather than in a meeting, although this will require all of the Trustees (who if the decision had been made in a meeting would have been entitled to receive notice of the meeting and vote at the meeting) to vote in favour by signing the resolution proposed (Article 123);
- the Trustees must ensure that agendas, minutes (including draft minutes, if approved by the Chair of the meeting) and reports or other documents considered at meetings shall be made available at every Academy, should anyone wish to see them (except in relation to some confidential material, which is listed in Article 125 – although information law requirements should also be considered in the publication and redaction of any information); and
- Trustees may participate in meetings by telephone or suitable electronic means (providing that participants are able to communicate with each other). A person participating in this way will be deemed to be present at the meeting, counted in the quorum and entitled to vote, with the place of the meeting being where the largest group is participating (or where the chair of the meeting is located if there is no largest group) (Articles 126 and 126A).

#### **CC. PATRONS AND HONORARY OFFICERS**

Article 127 permits the Trustees to appoint a Member or a non-Member to be a patron or hold an honorary office of the Secure Academy Trust.

#### **DD. ACCOUNTS, ANNUAL REPORT & CONFIRMATION STATEMENT**

Article 129 requires the accounts of the Secure Academy Trust to be prepared in accordance with the relevant Statement of Recommended Practice published by the Charity Commission and shall be filed with the Secretary of State and the Principal Regulator by 31 March each Financial Year.

Under Article 130, the Trustees must produce an annual report in accordance with the Statement of Recommended Practice and file this with the Secretary of State and the Principal Regulator by 31 March each financial year. Additionally, the Trustees must comply with their company law duties to complete and submit an annual confirmation statement to Companies House.

## **EE. NOTICES**

Articles 132 to 135 concern notices given pursuant to the Articles and should be checked to ensure due process is followed, for example when calling General Meetings or Trustee board meetings. Notices should be in writing (which includes using electronic communications), and sent to such address as the Secure Academy Trust is given from time to time. A notice provided by post is deemed to be received 48 hours after the envelope containing it was posted, and a notice given by electronic communications (which would include email) is deemed to be received 48 hours after the time it was sent.

## **FF. INDEMNITY**

Subject to certain conditions and exemptions set out in the Companies Act 2006 and Article 6.3, every Trustee/other officer or auditor of the Secure Academy Trust shall be entitled to be indemnified, out of the assets of the Secure Academy Trust, against liabilities incurred defending any proceedings, whether civil or criminal, providing judgment is given in favour or in which they are acquitted or granted relief by the court from liability for negligence, default, breach of duty or trust, in relation to the affairs of the Secure Academy Trust (Article 136).

## **GG. RULES**

Articles 137 and 138 allow the board of Trustees to make rules and bye laws in relation to the conduct and management of the Secure Academy Trust. Rules and bye laws cannot repeal or alter anything in the Articles and should only be insofar as such matters are not already regulated by the Articles. The Members may, in a General Meeting, alter, add to or repeal the rules or bye laws.

## **HH. AVOIDING INFLUENCED COMPANY STATUS**

Articles 139 to 144 set out procedures to avoid the Secure Academy Trust being deemed influenced by a local authority.

(**LAAPs**). LAAPs can include:

- “officers” (i.e. employees) of a local authority;
- “members” (i.e. councillors) of a local authority; and
- persons who have been members of a local authority in the last four years.

In order to fall within the definition of a LAAP, the relevant local authority must also be a “local authority by which the Secure Academy Trust is influenced”.

There are strict requirements within the Articles in relation to when LAAPs may be appointed as Members and Trustees to avoid the Secure Academy Trust being classed as influenced by a local authority. A summary of the key requirements are as follows:

- the maximum aggregate of votes exercisable by LAAPs in General Meetings of the Members cannot exceed 19.9% of the total number of exercisable Member votes (and if this was to be the case the votes of the other Members having the right to vote is increased on a pro-rata basis) (Article 139);
- the maximum aggregate of votes exercisable by Trustees who are LAAPs in board meetings cannot exceed 19.9% of the total number of exercisable Member votes (and if this was to be the case the votes of the other Trustees having the right to vote is increased on a pro-rata basis) (Article 140);
- a LAAP cannot be appointed/elected as Trustee if the number of Trustees who are LAAPs would exceed 19.9% of the total number of Trustees (Article 140) and even where the Secure Academy Trust is within the threshold, any appointment/election of an LAAP as a Trustee must be authorised by the relevant local authority (Article 141);
- a Trustee or Member who becomes a LAAP during their term of office will be deemed to have immediately resigned as a Trustee and/or Member (Article 142);
- if at any time the number of LAAPs would represent 20% or more of the total number of Trustees or the total number of Members, then a sufficient number of Trustees or Members who are LAAPs are deemed to have automatically resigned to ensure the 20% or more threshold is not breached. The deemed resignation applies in order of the most recently appointed/elected Member/Trustee (Article 143); and

- Members are required to notify the Secure Academy Trust and each other if at any time they believe that the Secure Academy Trust, or any of its subsidiaries, has/have become subject to the influence of a local authority (as described in section 69 of the Local Government and Housing Act 1989).