

## Constitution for the South Wales Society of Chartered Accountants

adopted on the.....24

This replaces the Constitution adopted on 25th May 2023

### **1. Adoption of the constitution**

The Society and its property will be administered and managed in accordance with the provisions of this constitution.

### **2. Name**

The name of the Society shall be The South Wales Society of Chartered Accountants (hereinafter described as "the Society").

### **3. Objects**

- 3.1 The object for which the Society is established is solely to hold and manage reserves (whist they remain) in any way the Trustees consider appropriate, save that they must be used for the promotion, furtherance and benefit of ICAEW Chartered Accountant members, students and/or potential students in Wales.
- 3.2 Membership Area: The area of the Society is South Wales (and encompasses all South Wales members).
- 3.3 "South Wales" is defined as the area covered by the following Preserved Counties of Wales (as defined by the Local Government (Wales) Act 1994): Gwent; South Glamorgan; Mid Glamorgan; West Glamorgan; Dyfed; and Powys.
- 3.4 "Membership" is defined as any member of the ICAEW who normally resides, practises, or is employed, within the area of the Society unless said member of the ICAEW expressly resigns such membership.

### **4. Application of income and property**

- 4.1 The income and property of the Society shall be applied solely towards the promotion of the objects.
  - 4.1(a) A Society trustee is entitled to be reimbursed from the property of the Society or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Society.
  - 4.1(b) A Society trustee may benefit from trustee indemnity insurance cover purchased by ICAEW, while ICAEW makes this available.
- 4.2 None of the income or property of the Society may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the Society. This does not prevent a member who is not also a trustee from receiving:

- (a) a benefit from the Society in the capacity of a beneficiary of the Society;
- (b) reasonable and proper remuneration for any goods or services supplied to the Society.

## **5. Benefits and payments to Society trustees and connected persons**

### **5.1 General provisions**

No trustee or connected person may:

- (a) buy or receive any goods or services from the Society on terms preferential to those applicable to members of the public;
- (b) sell goods, services or any interest in land to the Society;
- (c) be employed by, or receive any remuneration from, the Society;
- (d) receive any other financial benefit from the Society;

unless the payment is permitted by sub-clause 5.2 of this clause. In this clause, a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

### **5.2 Scope and powers permitting trustees' or connected persons' benefits**

A Society trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Society where that is permitted in accordance with, and subject to the provisions in sub-clause 5.3.

### **5.3 Payment for supply of goods only – controls**

The Society and its Society trustees may only rely upon the authority provided by sub-clause 5.2 of this clause if each of the following conditions is satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between the Society and the Society trustee or connected person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the Society.
- (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
- (c) The other Society trustees are satisfied that it is in the best interests of the Society to contract with the supplier rather than with someone who is not a Society trustee or connected person. In reaching that decision the Society trustees must balance the advantage of contracting with a Society trustee or connected person against the disadvantages of doing so.
- (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the Society.
- (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of Society trustees is present at the meeting.
- (f) The reason for their decision is recorded by the Society trustees in the minutes

- (g) A majority of the Society trustees then in office are not in receipt of remuneration or payments authorised by clause 5.

In sub-clauses 5.2 and 5.3 of this clause 'connected person' includes any person within the definition set out in clause 26 (Interpretation).

## **6. Dissolution**

- 6.1 If the members resolve to dissolve the Society the trustees will remain in office as Society trustees and be responsible for winding up the affairs of the Society in accordance with this clause.
- 6.2 The trustees must collect in all the assets of the Society and must pay or make provision for all the liabilities of the Society.
- 6.3 The trustees must apply any remaining property or money directly for the objects.
- 6.4 The members may pass a resolution before or at the same time as the resolution to dissolve the Society specifying the manner in which the trustees are to apply the remaining property or assets of the Society and the trustees must comply with the resolution if it is consistent with sub-clause 6.3 above.
- 6.5 In no circumstances shall the net assets of the Society be paid to or distributed among the members of the Society.
- 6.6 The trustees will inform ICAEW if a resolution to dissolve the Society is passed.

## **7. Amendment of constitution**

The Society may amend any provision contained in this constitution provided that any such amendment is made by resolution passed by a simple majority of the members present and voting or voting by proxy at a general meeting.

## **8. General meetings**

- 8.1 An Annual General Meeting (AGM) shall be held not later than 30th June each year to transact the following business:
  - (a) To receive the accounts for the year ending 31st December of the previous year
  - (b) To transact any other business of which notice has been given in the notice convening the meeting
- 8.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 8.3 The trustees may call an extraordinary general meeting (EGM) at any time.
- 8.4 The trustees must call a extraordinary general meeting if requested to do so in writing by at least ten members. The request must state the nature of the business that is to be discussed. If the trustees fail to hold the meeting within twenty-eight days of the request, the members

may proceed to call a extraordinary general meeting but in doing so they must comply with the provisions of this constitution.

- 8.5 The Board may decide to call any Annual or Extraordinary General Meeting as a virtual meeting in accordance with this constitution and if so, shall designate the meeting as such.
- 8.6 A virtual AGM or EGM need not be held at any particular place and may be held without any number of those participating in the meeting being together at the same place.
- 8.7 A virtual AGM or EGM may be held, and votes at such a meeting may be cast by such means as the Board shall decide.
- 8.8 The notice calling an AGM or EGM as a virtual meeting shall state that it is a virtual AGM or EGM and shall specify:
  - (a) Any place at which a Member may attend the meeting in person or that there is no place at which a Member may attend the meeting in person.
  - (b) The electronic or other means by which the meeting will be held and the means by which a Member may participate.
  - (c) The electronic or other means by which votes may be cast at the meeting

## **9. Notice of meetings**

For Annual General Meetings and Extraordinary General Meetings, the committee shall fix the date, hour and place of meetings of the Society and the President shall give not less than fourteen clear days' notice thereof to members. The notice shall specify the nature of the business to be transacted at the meeting.

## **10. Chair of meetings**

The President shall be Chair of all meetings. If the President is not available, the Deputy President shall chair the meeting.

## **11. Quorum**

- 11.1 No business shall be transacted at any general meeting unless a quorum is present.
- 11.2 A quorum is 5 members entitled to vote upon the business to be conducted at the meeting.
- 11.3 If:
  - (a) a quorum is not present within half an hour from the time appointed for the meeting; or
  - (b) during a meeting a quorum ceases to be present,the meeting shall be adjourned to such time and place as the trustees shall determine.

#### 11.4

- 11.4(a) The trustees must re-convene the meeting and must give at least seven clear days' notice of the re-convened meeting stating the date time and place of the meeting.
- 11.4(b) If no quorum is present at the re-convened meeting within fifteen minutes of the time specified for the start of the meeting the members present at that time shall constitute the quorum for that meeting.

#### **12. Votes**

- 12.1 A resolution put to the vote of a meeting of the Society shall be decided on by a show of hands of members present in person, together with proxy votes received in advance of the meeting.
- 12.2 Each member shall have one vote but if there is an equality of votes the person who is chairing the meeting shall have a casting vote in addition to any other vote he or she may have.
- 12.3 Members unable to attend the meeting may vote using proxy forms which will be issued with the notice of the meeting.

#### **13. Management and trustees**

- 13.1 The management of the society shall be entrusted to a Committee consisting of a minimum three trustee members ("trustees"). The trustees shall be members of the society. The trustees will be elected for an initial term of three years at the Annual General Meeting.
- 13.2 Any trustee who reaches the end of their first term of office shall be eligible to stand for reappointment for a second three year period. At the end of this second term the trustee shall be eligible to stand for reappointment for a further three years. At the end of this third term the trustee will not be eligible for reappointment.
- 13.3 A trustee may not appoint anyone to act on their behalf at meetings of the trustees.

#### **14. Appointment of trustees and officers**

- 14.1 The Society in general meeting shall elect the trustees.
- 14.2 The trustees may appoint any person who is willing to act as a trustee during the year and who is eligible to be a trustee. Any such appointments must then be put to the next Annual General Meeting where the members will vote to ratify or terminate the appointment. The appointment, if ratified, will be deemed to commence at the date of appointment by the trustees.
- 14.3 The trustees shall review the tenure of existing trustees and make appointments during their term to ensure succession is maintained.
- 14.4 The Committee shall each year elect from its members the following officers:
  - (a) President
  - (b) Deputy President

These appointments will be put to the next Annual General Meeting for ratification or otherwise by the members.

## **15. Powers and duties of trustees**

- 15.1 It shall be the duty of the Committee to administer and control the affairs of the Society in accordance with the objects set out in this Constitution.
- 15.2 No alteration of this constitution or any special resolution shall have retrospective effect to invalidate any prior act of the trustees.

## **16. Proceedings of trustees**

- 16.1 The trustees may regulate their proceedings as they think fit, subject to the provisions of this constitution.
- 16.2 The trustees shall hold a minimum 2 committee meetings within each calendar year.
- 16.3 Committee meetings may be held in a physical location or virtually. Where meetings are held at a physical location trustees may attend physically or virtually.
- 16.4 Any trustee may call a meeting of the trustees.
- 16.5 Questions arising at a meeting must be decided by a majority of votes.
- 16.6 In the case of an equality of votes, the person who chairs the meeting shall have a second or casting vote.
- 16.7 No decision may be made by a meeting of the trustees unless a quorum is present at the time the decision is purported to be made.
- 16.8 The quorum shall be three or such larger number as may be decided from time to time by the trustees.
- 16.9 A trustee shall not be counted in the quorum present when any decision is made about a matter upon which that trustee is not entitled to vote.
- 16.10 The person elected as the President shall chair meetings of the trustees. In their absence the Deputy President will chair the meeting. In the absence of both the President and Deputy President, the trustees present may appoint one of their number to chair that meeting.
- 16.11 A resolution in writing signed by all the trustees entitled to receive notice of a meeting of trustees or of a committee of trustees and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the trustees or (as the case may be) a committee of trustees duly convened and held.
- 16.12 The resolution in writing may comprise several documents containing the text of the resolution in like form each signed by one or more trustees, or may be generated electronically and signed using electronic signatures.

## **17. Disqualification and removal of trustees**

A trustee shall cease to hold office if he or she:

- (a) ceases to be a member of ICAEW;
- (b) ceases to be a member of the Society;
- (c) resigns as a trustee by notice to the Committee (but only if at least two trustees will remain in office when the notice of resignation is to take effect); or
- (d) is absent without the permission of the trustees from all their meetings held within a period of six consecutive months and the trustees resolve that their office be vacated.

## **18. Conflicts of interests and conflicts of loyalties**

A trustee must:

- (a) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Society or in any transaction or arrangement entered into by the Society which has not been previously declared; and
- (b) absent themselves from any discussions of the trustees in which it is possible that a conflict will arise between their duty to act solely in the interests of the Society and any personal interest (including but not limited to any personal financial interest).

Any trustee absenting themselves from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the trustees on the matter.

## **19. Delegation**

19.1 The trustees may delegate any of their powers or functions to a sub-committee of two or more trustees but the terms of any such delegation must be recorded in the minutes.

19.2 The trustees may impose conditions when delegating, including the conditions that:

- (a) the relevant powers are to be exercised exclusively by the sub-committee to whom they delegate;
- (b) no expenditure may be incurred on behalf of the Society except in accordance with a budget previously agreed with the trustees.

19.3 The trustees may revoke or alter a delegation.

19.4 All acts and proceedings of any sub-committees must be fully and promptly reported to the trustees.

## **20. Irregularities in proceedings**

20.1 Subject to sub-clause 20.2 of this clause, all acts done by a meeting of trustees, or of a sub-committee of trustees, shall be valid notwithstanding the participation in any vote of a trustee:

- (a) who was disqualified from holding office;
- (b) who had previously retired or who had been obliged by the constitution to vacate office;
- (c) who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if, without:

- (a) the vote of that trustee; and
- (b) that trustee being counted in the quorum,

the decision has been made by a majority of the trustees at a quorate meeting.

20.2 Sub-clause 20.1 of this clause does not permit a trustee to keep any benefit that may be conferred upon him or her by a resolution of the trustees or of a committee of trustees if the resolution would otherwise have been void.

20.3 No resolution or act of

- (a) the trustees;
- (b) any committee of the trustees;
- (c) the Society in general meeting;

shall be invalidated by reason of the failure to give notice to any trustee or member or by reason of any procedural defect in the meeting unless it is shown that the failure or defect has materially prejudiced a member or the beneficiaries of the Society.

## **21. Minutes**

The trustees must keep minutes of all:

- (a) appointments of officers and trustees made by the trustees;
- (b) proceedings at meetings of the Committee;
- (c) meetings of the trustees and sub-committees of trustees including:
  - (i) the names of the trustees present at the meeting;
  - (ii) the decisions made at the meetings; and
  - (iii) where appropriate the reasons for the decisions.

## **22. Accounts**

- 22.1 The Committee shall be responsible for keeping proper accounting records relating to the management of reserves and for drafting final accounts of the Society to be presented to the Members at the Annual General Meeting.
- 22.2 Accounts prepared for accounting periods starting on or after 1st January 2024 will not require an independent review.

## **23. Notices**

- 23.1 Any notice required by this constitution to be given to or by any person will be given using electronic communications via the ICAEW website.
- 23.2 The Society may also give any notice to a member by giving it using electronic communications to the member's address.
- 23.3 A member present in person at any meeting of the Society shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 23.4 Proof that a notice contained in an electronic communication was posted on the ICAEW website shall be conclusive evidence that the notice was given.
- 23.5 A notice shall be deemed to be given, in the case of an electronic communication, 48 hours after it was posted on the ICAEW website.

## **24. Rules**

- 24.1 The trustees may from time to time make rules for the conduct of their business.
- 24.2 The rules may regulate the following matters but are not restricted to them:
  - (a) the procedure at general meeting and meetings of the trustees in so far as such procedure is not regulated by this constitution;
  - (b) the keeping and authenticating of records. (If regulations made under this clause permit records of the Society to be kept in electronic form and requires a trustee to sign the record, the regulations must specify a method of recording the signature that enables it to be properly authenticated.)
  - (c) generally, all such matters as are commonly the subject matter of the rules of an unincorporated association.
- 24.3 The Society in general meeting has the power to alter, add to or repeal the rules.
- 24.4 The trustees must adopt such means as they think sufficient to bring the rules to the notice of members of the Society.
- 24.5 The rules shall be binding on all members of the Society. No rule shall be inconsistent with, or shall affect or repeal anything contained in, this constitution.

## **25. Disputes**

If a dispute arises between members of the Society about the validity or propriety of anything done by the members under this constitution, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

## **26 Interpretation**

In this constitution 'connected person' means:

- (a) a child, parent, grandchild, grandparent, brother or sister of the trustee;
- (b) the spouse or civil partner of the trustee or of any person falling within sub-clause (a) above;
- (c) a person carrying on business in partnership with the trustee or with any person falling within sub-clause (a) or (b) above;
- (d) an institution which is controlled -
  - (i) by the trustee or any connected person falling within sub-clause (a), (b), or (c) above; or
  - (ii) by two or more persons falling within sub-clause (d)(i), when taken together
- (e) a body corporate in which -
  - (i) the trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or
  - (ii) two or more persons falling within sub-clause (e)(i) who, when taken together, have a substantial interest.