

## Possible changes to your Articles of Association

The governing document of a charitable company is its Articles of Association. Trustees of all charities must be aware of what their governing document says and must consider whether it is in tune with the way that the charity operates and is compliant with statute and best practice. Sometimes the provisions in the Articles of Association need to be changed in order to achieve this.

Some examples of the areas in which you may wish to consider making amendments are:

- what may have been appropriate objects for a charity established say 15 years ago may no longer work in today's changing environment. The work and mission of the charity may have moved on, there may be a need to extend the area of benefit or the language may simply have become archaic and be difficult to understand or apply to the real world.
- a charity can only pay for services or goods which trustees supply to the charity if the Articles permit this
- the Charity Commission requires provisions which deal with how trustees will manage potential and actual conflicts of interest that are focused, comprehensive and compliant with statute. Many charity constitutions are still not compliant.
- if you struggle to meet a quorum for either board meetings or member meetings you may consider amending the relevant provisions
- a change in your Articles may be needed to take advantage of the Companies Act 2006 provisions enabling reduction of the notice periods required for AGM and general meetings and to remove the requirement of holding an AGM
- you can only hold board meetings by electronic means including telephone and video conference calls if your Articles permit this
- you may wish to have the ability to communicate AGM and general meeting paperwork to your members by email or by placing the information on your website saving postage, printing and administrative costs

### **Any change must be made by a special resolution**

Any change to Articles of Association requires the members to pass a special resolution to make such changes. Such a resolution requires at least 75% of those members who cast a vote to be in favour of the resolution.

### **Filing requirements at Companies House and the Charity Commission**

When the special resolution has been passed to amend the Memorandum and/or the Articles of Association you will need to file a new copy of the Articles at Companies House. Once Companies House has updated its register you must notify the Charity Commission of the changes by using their online form.

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