

The UK Association of Letting Agents

*To support and protect the interests
of letting and managing agents*



UK ASSOCIATION OF LETTING AGENTS LTD

Annual Report 2012 and Accounts

UKALA AGM 2012

To be held on

Thursday 29th November 2012

in

The Conference Room

5th Floor, 22-26 Albert Embankment, Vauxhall, London SE1 7TJ

(8 minutes walk from Vauxhall rail and underground stations, or 15 minutes from Waterloo station. Car parking is difficult.)

2pm

Registration

2:30pm

Annual General Meeting [full agenda appears overleaf]

3pm

Meeting closes.

RESERVATION REQUIRED

ADMISSION ONLY to those who have booked in advance (by 11am on the day - latest), PLEASE.

To ATTEND the AGM please email bookings@ukala.org.uk or call: **020 7840 8920**.

There is no charge for attendance.

If you cannot attend, please vote by completing a Proxy Form (enclosed) or vote online: see back page.



UKALA in association with The National Landlords Association: www.landlords.org.uk

UK ASSOCIATION OF LETTING AGENTS ANNUAL REPORT 2012

UK ASSOCIATION of Letting Agents Ltd

**Notice is hereby given of the Annual General Meeting to be held on
Thursday 29th November 2012 at 2.30pm
at 5th Floor, 22-26 Albert Embankment, London SE1 7TJ**

AGENDA

- Item 1** To consider and approve the Minutes of last year's AGM.
- Item 2** To consider and adopt the Company's Annual Report & Accounts for the period ended 31 March 2012.
- Item 3** To re-appoint Lescott Courts Ltd as reporting accountants of the Company until the next Annual General meeting at a fee to be agreed with the Board of Directors.
- Item 4** SPECIAL RESOLUTION : to adopt revised Articles of Association**.
- Item 5** Any other Business (please notify the under-signed with any issues you intend to raise by 2.30pm on 27 November 2012).
- Item 6** Address by the Chairman.

By order of the Board, dated 4 October 2012.

Patrick Jacobs, Company Secretary

Registered Office: Unit 11, Mildmay House, Foundry Lane, Burnham-on-Crouch CMO 8BL

Admin Office : 22-26 Albert Embankment, London SE1 7TJ

NOTES

- Directors are elected to serve for three years. They must then retire and may offer themselves for re-election.
- A Special Resolution requires the support of 75% of those voting in person or by proxy.
** The proposed revised Articles of Association and an explanation of why they are being adopted are included within this year's Annual Report.
- Any member of the company may appoint a proxy by using the form included with this report, or on our website, or obtainable from the Company Secretary, and returning it to the ADMIN office by 2.30pm on 27 November 2012.

Registration from 2pm

There is no charge to attend the AGM, but please confirm your attendance by emailing booking@ukala.org.uk or by calling 020 7840 8920.

ADMISSION ONLY to those who have booked in advance (by 11am on the day - latest), PLEASE.

If you have any questions or proposals, please write them clearly on a slip of paper, with your name on it, and pass to the Company Secretary on arrival at the Registration Desk or submit in advance to patrick.jacobs@ukala.org.uk

You may not use any electronic address provided either in this Notice or any related documents to communicate with the Company for any purpose other than those expressly stated.

CHAIRMAN'S MESSAGE

It is a privilege to be asked to serve as Chairman of the UK Association of Letting Agents (UKALA), but I must declare an interest. I am also a private landlord. Fortunately, far from representing a conflict of interest, I believe this dual function provides an opportunity to view the roles of landlord and letting agent from an unusual vantage point.

As a private-residential landlord I am frequently reminded of the importance of professionalism, and of providing high quality accommodation for my tenants.

All reputable landlords are well aware that there is no room for mistakes where a person's home is concerned. This makes it essential to seek from time-to-time professional advice and assistance and highlights the importance of having confidence in the quality of that service.

It is for this simple reason that I am delighted to see the re-emergence of UKALA as a force within the private-rented sector, and I take great pride in UKALA's developing partnership with the National Landlords Association as a key element in that process.

I would be less than candid if I asserted that I have not entertained moments of doubt about the complexity, scale of challenge and, at times, progress of the renewal to which UKALA has committed. But one aspect for which I have never entertained any doubt is the strength of character, principle and values which form the core of this Association.

Although the new UKALA is very different from that of a few years ago, the community of members providing its substance represent the same unswerving commitment to professionalism, customer service and quality as ever.

As members know, the private-rented sector has changed dramatically over the last decade, and is continuing to grow and reshape itself to reflect the needs of those living and working within it. As experienced agents and landlords, the UKALA Board has witnessed this change and takes the view that to support its members in the future, the Association must face head-on the challenges of today.

Members of UKALA today may face an uncertain financial, economic, and even regulatory future. This is why we hope they can expect support from a service based on improved communication, professional support, transparency and fairness which will serve to set them apart from the competition and provide the very best chance of a successful and prosperous future.

I would like to take this opportunity to thank those members who have persevered through recent months of change. Your commitment is truly valued and will help UKALA to meet its potential on your behalf.

I would also like to welcome all of those members who have joined recently, perhaps having only recently discovered UKALA, or having recognised the chance to become involved in something new and innovative at an early stage.

Without its members UKALA cannot function. You provide the mandate and the impetus for growth and development. In return I hope that UKALA can provide the support and guidance you and your clients need to prosper for years to come.

David Salusbury – Chairman

UK ASSOCIATION OF LETTING AGENTS LIMITED (Registered in England, number 3401834) **MINUTES OF THE 2011 ANNUAL GENERAL MEETING**

The Annual General Meeting of the company was held at Melia White House Hotel, Albany St, London NW1 3UP on Thursday 24th November 2011 at noon.

Directors Present: Paul Berwick
Steven Jones
Richard Price
David Salusbury
Paul Tozer

Apologies were received from Toby Carrington

Members Present

There being more than 10 members personally present in addition to proxies received, the meeting was quorate.

Notice calling the Meeting

The Notice calling the Meeting - which was mailed to Members during October 2011 and published in the *UKALA Annual Report 2011* circulated to Members during early November 2011 - was taken as read.

AGENDA

- Item 1** The Minutes of the 5th October 2010 AGM were approved and signed.
- Item 2** The Company's Annual Report and Accounts for the period ended 31 March 2011 were considered and adopted.
- Item 3** Lescott Courts Ltd was re-appointed as reporting accountants of the Company until the next Annual General meeting at a fee to be agreed with the Board of Directors.
- Item 4** DAVID JOHN SALUSBURY was elected as a Director.
- Item 5** PAUL COLIN BERWICK was elected as a Director.
- Item 6** TIMOTHY CLARK was elected as a Director.
- Item 7** RICHARD JOHN PRICE was elected as a Director.
- Item 8** PAUL JONATHAN TOZER was elected as a Director.
- Item 9** The Special Resolution to adopt revised Articles of Association was carried by more than the required 75% of votes cast.
- Item 10** Any other Business: Toby Carrington was given a vote of thanks on his retirement from the Board – though he will be continuing his links with UKALA as a trainer; it was announced that John Peartree would be retiring in March 2012 – he, too, was given a vote of thanks & responded by wishing the Association well for the future.
- Item 11** David Salusbury, Chairman, gave an address outlining his views on future prospects for UKALA.

David J Salusbury
Chairman

Patrick Jacobs
Company Secretary

Dated: 10 January 2012

Registered Office: Unit 11, Mildmay House, Foundry Lane, Burnham-on-Crouch CM0 8BL

UK ASSOCIATION OF LETTING AGENTS LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS:

S G Jones	P C Berwick	D J Salusbury
P J Tozer	R J Price	T J Clark

SECRETARY:

P A Jacobs

REGISTERED OFFICE:

Unit 11 Mildmay House, Foundry Lane, Burnham on Crouch, Essex CM0 8BL

REGISTERED NUMBER:

03401834 (England and Wales)

ACCOUNTANT:

Lescott Courts Limited, Chartered Certified Accountants
Unit 11 Mildmay House, Foundry Lane, Burnham on Crouch, Essex CM0 8BL

BANKERS:

National Westminster Bank Plc, 16a Westbourne Grove, London W2 5WG

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of services to UK letting agents who are members of the association.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

S G Jones	P C Berwick
D J Salusbury	R J Price

Other changes in directors holding office are as follows:

J M Peartree	- resigned 30 September 2011
T X Carrington	- resigned 24 November 2011
P J Tozer	- appointed 23 September 2011
T J Clark	- appointed 24 November 2011

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD

P J Tozer - Director
4 October 2012

UK ASSOCIATION OF LETTING AGENTS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012	2011
		£	£
TURNOVER		93,635	64,878
Administrative expenses		<u>147,453</u>	<u>71,651</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			
	2	(53,818)	(6,773)
Tax on loss on ordinary activities	3	—	—
LOSS FOR THE FINANCIAL YEAR		<u>(53,818)</u>	<u>(6,772)</u>

UK ASSOCIATION OF LETTING AGENTS LIMITED
BALANCE SHEET 31 MARCH 2012

	Notes	2012	2011
		£	£
CURRENT ASSETS			
Debtors	4	3,089	500
Cash at bank and in hand		<u>27,318</u>	<u>25,301</u>
		30,407	25,801
CREDITORS			
Amounts falling due within one year	5	<u>32,127</u>	<u>1,446</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,720)</u>	<u>24,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,720)	24,355
CREDITORS			
Amounts falling due after more than one year	6	<u>27,743</u>	—
NET (LIABILITIES)/ASSETS		<u>(29,463)</u>	<u>24,355</u>
RESERVES			
Profit and loss account	7	<u>(29,463)</u>	<u>24,355</u>
		<u>(29,463)</u>	<u>24,355</u>

NOTES

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2012.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 4 October 2012 and were signed on its behalf by:

P J Tozer – Director

UK ASSOCIATION OF LETTING AGENTS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	2012		2011	
	£	£	£	£
Sales		93,635		64,878
Expenditure				
Directors' salaries	10,400		1,733	
Directors' fees	2,153		-	
Directors' social security	947		161	
Wages	21,010		29,276	
Social security	1,431		2,346	
Insurance	1,558		1,343	
Telephone	1,388		2,047	
Printing and advertising	28,675		2,702	
Travelling and subsistence	2,090		2,279	
Postage	3,224		2,538	
Membership benefits	70,230		20,880	
Sundry expenses	1,015		1,473	
Accountancy	1,300		1,250	
Professional Fees	<u>1,663</u>		<u>3,292</u>	
		<u>147,084</u>		<u>71,320</u>
		(53,449)		(6,442)
Finance costs				
Bank charges		<u>369</u>		<u>331</u>
NET LOSS		<u>(53,818)</u>		<u>(6,773)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Company limited by guarantee

The company is limited by guarantee. In the event of a liquidation the members undertake to contribute an amount not exceeding £1.

Going concern

The UK Association of Letting Agents is technically insolvent at the 31st March 2012 and the directors are of the opinion that the company will be able to trade out of this position.

The company is reliant upon the continued financial support from the National Landlords Association Ltd (NLA). At the balance sheet date there was an interest-free, unsecured loan of £48,860 owed to the NLA, this loan is due to be paid within 2 to 5 years.

If the UK Association of Letting Agents Ltd is not in a financial position to repay this loan at anytime due to the solvency of the company, the loan will be waived. Furthermore the NLA board wishes for the loan balance to be excluded from any insolvency calculations of the UK Association of Letting Agents, so as not to cause an unnecessary liquidation or insolvency. If this loan is excluded from the solvency calculation the company would be solvent at the year end.

2. OPERATING LOSS

The operating loss is stated after charging:

	2012	2011
	£	£
Directors' remuneration and other benefits etc	<u>12,553</u>	<u>1,733</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the year ended 31 March 2011.

The company is a mutual trading association and the trading profit or loss is not therefore subject to corporation tax. The tax payable relates to interest received.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other debtors	<u>3,089</u>	<u>500</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade Creditors	-	1
Social security and other taxes	34	-
VAT	1,114	-
Accruals and deferred income	<u>30,979</u>	<u>1,445</u>
	<u>32,127</u>	<u>1,446</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Other creditors	<u>27,743</u>	<u>-</u>

National Landlords Association (NLA). At the balance sheet date there was an interest-free, unsecured, loan of £48,860 owed to the NLA, of this loan £27,743 is due to be paid with 2 to 5 years

7. RESERVES

	Profit and loss account
	£
At 1 April 2011	24,355
Deficit for the year	<u>(53,818)</u>
At 31 March 2012	<u>(29,463)</u>

There were 349 members at the 31st March 2012.

8. TRANSACTIONS WITH DIRECTORS

D J Salusbury, R J Price and P A Jacobs are directors of The National Landlords Association Ltd (NLA). At the balance sheet date there was an interest-free, unsecured, loan of £48,860 owed to the NLA, this loan is due to be paid within 5 years.

COMPANY SECRETARY'S NOTES TO THE ACCOUNTS

- 1 The Full Accounts together with Accountants' Notes can be accessed from the Members' area of our website www.ukala.org.uk or upon request by sending a large SAE -£1.20 stamp affixed – to Company Secretary, UKALA, 22-26 Albert Embankment, LONDON SE1 7TJ
- 2 Membership concluded the year at 349 (2011=485, 2010= 506). To some extent the decline reflected our then inability to provide Client Money Protection Insurance.
- 3 It is pleasing to note that Income, mainly from membership subscriptions, is 44% higher than in the previous year.
- 4 Expenditure was higher than in the previous year – mainly due to the increased post, printing & advertising costs in connection with developing the new marketing materials upon which the foundations for future growth depend – and the benefits of membership have been expanded. Regrettably we again recorded a loss for the year – of £53,818 – which reduced Reserves to (£29,463).
- 5 Most Directors deferred fees for 2012, but John Peartree, Chief Executive, became a director in March 2011 until September 2011, & that portion of his salary has to be shown as 'Directors' Salaries'. He retired in March 2012.
- 6 UKALA is reliant on continued administrative & financial support from National Landlords Association.

ITEM 4 - SPECIAL RESOLUTION - To adopt revised Articles of Association

NOTES TO THE AGENDA (PREPARED BY THE COMPANY SECRETARY)

**The Directors consider that all the resolutions are in the best interests of the company and our members.
The Board unanimously recommends you to vote in favour of them.**

1. There is one **Special Resolution** requiring 75% of votes cast to pass. It is therefore especially important that you use your vote.

This is Item **4**, to adopt new Articles of Association. The 'Articles of Association' is a legal document governing the running of a company. Now that all sections of the 2006 Companies Act have become law, and acting on legal advice, we wish to bring our Articles up-to-date to better reflect modern practice.

2. The proposed Articles (included with this Annual Report) tidy-up the Articles adopted last year by implementing clauses from the 2006 Companies Act Model Articles and deleting –as requested by Companies house – all references to earlier Companies Acts. They therefore consolidate the following beneficial changes :
 - They will enable us to put in place arrangements for communicating with members in electronic form, including accepting electronic voting (from those who wish to) thus increasing member involvement but at reduced cost..
 - They modernise terms used such as 'Board of Directors' in place of 'Management Committee'
 - They provide for NLA to nominate 50% of the directors (to include the Chairman), and the Company Secretary, as provided for in the Business Service Agreement signed by the UKALA Board in March 2011 on the basis of directions given by the 2010 AGM. This protection safeguards NLA's considerable financial & reputational investment to develop UKALA, expand its strength and influence, and enhance its' standing. The Business Service Agreement provides an exit clause requiring 90 days' notice.
3. Appointment and Retirement of Directors. The Articles continue to propose that all directors be elected to serve 3-year fixed terms so that they, and prospective directors, can plan their commitments accordingly.

ARTICLES OF ASSOCIATION OF THE UK ASSOCIATION OF LETTING AGENTS LIMITED - To be adopted by Special Resolution on 29 November 2012

PRIVATE COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

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PART 1: INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise –
 - “articles” means the company’s articles of association;
 - “associate member” has the meaning given in article 21(2);
 - “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
 - “chairman” has the meaning given in article 12;
 - “chairman of the meeting” has the meaning given in article 25;
 - “Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
 - “director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
 - “document” includes, unless otherwise specified, any document sent or supplied in electronic form;
 - “electronic form” has the meaning given in section 1168 of the Companies Act 2006;
 - “member” has the meaning given in section 112 of the Companies Act 2006;
 - “ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
 - “participate”, in relation to a directors’ meeting, has the meaning given in article 10;
 - “proxy notice” has the meaning given in article 31;
 - “special resolution” has the meaning given in section 283 of the Companies Act 2006;
 - “subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and
 - “writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for
 - (a) payment of the company’s debts and liabilities contracted before he ceases to be a member,
 - (b) payment of the costs, charges and expenses of winding up, and
 - (c) adjustment of the rights of the contributories among themselves.

PART 2 DIRECTORS: DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Members’ reserve power

4. (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

5. (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles

- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
 - (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

- 6. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

- 7. (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

Unanimous decisions

- 8. (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

- 9. (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate
 - (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 10. (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when
 - (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) Unless otherwise determined two shall be a quorum provided such quorum shall consist of one Company Nominee and one NLA nominee
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the members to appoint further directors.

Chairing of directors' meetings

12. (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14. (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when
 - (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes
 - (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
 - (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the

question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT & RETIREMENT of DIRECTORS and COMPANY SECRETARY

Methods of appointing directors and secretary

17. (1) The number of the members of the Board shall be an even number of not less than 2 nor more than 10.
- (2) The members of the Board shall be:
 - A. Those directors nominated in accordance with Article 17 (3) below; and
 - B. Such other persons as shall from time to time be elected or appointed thereto by the Board or by members of the Association in General Meeting in accordance with Articles 3 and 17.
- (3) The members of the Board shall comprise an equal number of directors nominated by the Company and by the NLA; the Chairman of the Company, who shall have a casting vote in the event of a tie, shall be nominated by the NLA;
 - (i) the first directors so nominated shall be Timothy Clark, Steve Jones and Paul Tozer.
 - (ii) the first directors so nominated by the NLA shall be David Salusbury, Richard Price and Paul Berwick; and
 - (iii) the first chairman of the Company shall be David Salusbury
- (4) In the event of any vacancy, any replacement Company Nominee shall be selected by the continuing Company Nominees (or, in the absence of any continuing Company Nominees, by the members of the Company in general meeting).
- (5) In the event of any vacancy, any replacement NLA Nominee shall be selected by the NLA Board.
- (6) The following matters to be considered by the Board shall only be passed in the event that at least one of the Company Nominees votes in favour:
 - (i) any change in the nature of the business of the Company; and
 - (ii) any decision to change the name of the Company.
- (7) All directors of the Board shall serve for three years from the date of his or her election but at the time of expiration of his or her term of office shall be eligible for re-election.
- (8) A member of the Board shall be entitled to resign his or her appointment on giving to the Secretary not less than one month's notice in writing to that effect.
- (9) The Board may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- (10) The Secretary of the Company shall be nominated by the NLA; the first company secretary so nominated shall be Patrick Jacobs.
- (11) The Secretary shall be entitled to attend and speak (but not vote) at all General Meetings, Board meetings and Sub-Committee meetings of the Association.

Termination of director's appointment

18. A person ceases to be a director as soon as
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
 - (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19. (1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may
- (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3 MEMBERS BECOMING AND CEASING TO BE A MEMBER

Applications for membership

21. (1) No person shall become a member of the company unless
- (a) that person has completed an application for membership in a form approved by the directors and paid any applicable application and/or subscription fee, and
 - (b) the directors have approved the application, and
 - (c) such person, firm, company or corporation accepts the aims and objectives of the Association, agrees to be bound by its' rules and regulations and practices as a letting agent or property managing agent.
- (2) Associate members shall be such persons as are admitted to associate membership in accordance with the procedures, terms and conditions from time to time determined by the directors. They shall have such rights and privileges as shall be determined by the directors but shall not have the right to vote at general meetings or be liable to contribute to the assets of the company under article 2. An associated member is not

a member of the company for the purposes of section 112 of the Companies Act 2006. References in these articles to “members” shall exclude associate members unless otherwise stated.

- (3) A member may apply to convert to being an associate member by completing an application for transfer in a form approved by the directors, and such application shall take effect on the date that it is accepted by the directors, whereon the applicant shall cease to be a member of the company for the purposes of section 112 of the Companies Act 2006.
- (4) An associate member may apply to convert to being a member by completing an application for transfer in a form approved by the directors, and such application shall take effect on the date that it is accepted by the directors.
- (5) The directors have absolute discretion as to whether or not to accept an application for membership or associate membership or an application for conversion between the two.

Termination of membership

22. (1) A member or associate member may withdraw from membership or associate membership (as the case may be) of the company by giving 7 days’ notice to the company in writing.
- (2) Membership and associate membership are not transferable.
- (3) A person’s membership or associate membership (as applicable) terminates:
 - (a) when that person dies or ceases to exist; or
 - (b) if his annual subscription or any other sum or sums due have not been paid for a period of one month from the date upon which they became due. The directors shall have the power in their absolute discretion to suspend the implementation of this provision in special cases. The directors may, at their absolute discretion, re-admit a person who has ceased to be a member or associate member (as the case may be) by reason of this provision, or such conditions as the directors shall think fit; or
 - (c) if the directors resolve that he should be expelled following the investigation of a complaint made against that member or associate member (as the case may be) in accordance with the rules or code of practice of the company in force from time to time.
 - (d) if the Board shall notify a member in writing that he no longer continues to meet the current qualifications or conditions for membership.
- (4) All persons on cessation of membership or associate membership (as the case may be) of the company must return their membership cards, if issued, to the Company Secretary within 14 days of the date of cessation.

ORGANISATION OF GENERAL MEETINGS

Attendance, periodicity and speaking at general meetings

23. (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

- (6) The company shall hold an annual general meeting each year in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than eighteen months shall elapse between the date of one annual general meeting of the company and that of the next: The annual general meeting shall be held at such time and place as the directors shall appoint. An Annual Report, including reports by the directors and the Auditors, the Income & Expenditure account and Balance Sheet for the previous accounting period, shall be laid before the meeting.
- (7) The Board may, when they think fit, convene a General Meeting, and General Meetings shall be convened on such requisition or, in default, may be convened by such requisitionists as provided by Sections 303 to 305 of the Act.

Quorum for general meetings

24. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum for general meetings shall be 10 members present in person or by proxy or, if there are fewer than 10 members in the company at the date of the meeting, then the quorum shall be 80% of the members at the date of the meeting.

Chairing general meetings

25. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
 - (a) the directors present, or
 - (b) (if no directors are present), the meeting,must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".
- (4) In the case of any equality votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second casting vote.

Attendance and speaking by directors and non-members

26. (1) Directors and the Company Secretary may attend and speak at general meetings, whether or not they are members.
- (2) Associate members may attend but may not vote or speak at general meetings.
- (3) The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

Adjournment

27. (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if
 - (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

- 28. (1) Every member other than an Associate Member shall have one vote.
- (2) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

- 29. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting whose decision is final.
- 30. (1) A poll on a resolution may be demanded
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by
 - (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 31. (1) An instrument appointing a proxy (a "proxy notice") shall be in writing executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow) or in any other form which is usual or which the Board may approve.

'THE UK ASSOCIATION of LETTING AGENTS LIMITED

I/WE _____ of _____, being a member of the above named company, HEREBY APPOINT _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the Annual/Extraordinary General Meeting of the Association to be held on the _____ day _____ of 200_____ and at any adjournment thereof.

Signed on the _____ day _____ of 20 _____.'

- (2) Where it is desired to afford members an opportunity to instruct the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):

'THE UK ASSOCIATION of LETTING AGENTS LIMITED

I/WE of , being a member of the above named company, HEREBY APPOINT of , or failing him, of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the Annual/Extraordinary General Meeting of the Association to be held on the day of 200 and at any adjournment thereof. This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1	*For	*Against
Resolution No. 2	*For	*Against

(*Strike out whichever is not desired)

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on the day of 20 ' .

Delivery of proxy notices

32. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company at its registered office by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered 24 hours before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- (5) A proxy notice is only valid if received by the company 48 hours or more before the start of the meeting to which it refers.

Amendments to resolutions

33. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 4 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

34. (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides (including in electronic form) for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

- 35. (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is
 - (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

- 36. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company’s accounting or other records or documents merely by virtue of being a member.

Provision for employees on cessation of business

- 37. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS’ INDEMNITY AND INSURANCE

Indemnity

- 38. (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company’s assets against
 - (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the company or an associated company.
 - (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
 - (3) In this article
 - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a “relevant director” means any director or former director of the company or an associated company.
- Insurance
- 39. (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
 - (2) In this article
 - (a) a “relevant director” means any director or former director of the company or an associated company,

- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

PART 5 MISCELLANEOUS

Company's Objects

40. The company's Objects as set out in clauses 3 and 4 of its Memorandum of Association shall continue to apply to the company and be treated as provisions of these articles pursuant to section 28 of the Companies Act 2006.

Winding Up

41. The company may be wound up voluntarily whenever a special resolution is passed that the company be wound up. If the company is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the members of the company, but shall be given or transferred to an association or associations having objects similar to the Objects which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the company by clause 7 of the company's Memorandum of Association (as deemed to form part of these articles by section 28 of the Companies Act 2006), chosen by the members of the company at or before the time of dissolution and if that cannot be done then to some other charitable object.

PROXY FORM

[This form of Proxy may be (copied and) used by any Member of UK Association of Letting Agents Ltd.

It should be returned to the ADMIN Office **by 2.30pm on 27th November 2012]**

Alternatively, you may complete an electronic version by visiting www.ukala.org.uk or clicking the link contained in a personalised email which we will send to you in early November 2012.

UKALA

The UK Association of Letting Agents Ltd, 22-26 Albert Embankment, London SE1 7TJ

I/we (full name)

Of (name of firm)

(address)

.....

.....

being a member of the above named company, HEREBY APPOINT *the Chairman of the meeting /

* (insert name of proxy (who must be a member of the Company) if you do NOT wish to so appoint the chairman of the meeting) of

.....

as my proxy to vote in my name and on my behalf at the Annual General Meeting to be held on 27th November 2012 and at any adjournment thereof. This form is to be used in respect of the resolutions mentioned below as follows:

Resolution [1] to adopt the company's 2011 AGM Minutes *For /*Against

Resolution [2] to adopt the Company's Annual Report and Accounts for the period ended 31 March 2012. *For /*Against

Resolution [3] to re-appoint Lescott Courts Ltd as reporting accountants of the Company until the next Annual General Meeting at a fee to be agreed with the Board of Directors. *For /*Against

Special Resolution [4] to adopt the revised Articles of Association *For /*Against

(*strike out whichever is not desired)

[Unless otherwise instructed, the proxy may vote as he or she thinks fit or abstain from voting]

Signed: Member Number:

Dated:

Please return in reply-paid envelope or post to

Freepost RSRT – TJRE – ATCZ

UKALA – 4th Floor

22-26 Albert Embankment

LONDON

SE1 7TJ