

DECLARATION OF TRUST

Made this ...Forth day of October 2001 by

- Jeremy S. Bull
- J. Graham Burhouse
- Peter D. McQueen
- Philip G. Newman
- Philip Shephard

Whereas

The first trustees hold £10 on the trusts declared in this deed and it is contemplated that further money or assets may be paid or transferred to the trustees upon the same trusts.

Now this Deed witnesses as follows:

1) Administration

The charitable trust constituted by this deed ("the charity") and its property shall be administered and managed by the trustees under the name of SCOTTISH MODEL ENGINEERING TRUST or by such name as the trustees from time to time decide with the approval of the Scottish Charities Office.

2) Objects

- (i.) The objects of the trust shall be to advance the education of the general public in Scotland in model engineering and related skills and activities. In furtherance thereof the trust shall seek to provide the following -
- (ii.)
 - The construction, operation and maintenance of railways with a gauge between the rails of less than 400mm, for the purpose of educating people in all fields of mechanical and operational skills.
 - The construction, operation and maintenance of engineering models, for the purpose of educating people in mechanical and operational skills.
 - Providing a constructional medium for general educational purposes in workshop practice, miniature boiler making, testing and inspection, mechanical and civil engineering.
 - The advancement of the education of the public by providing reference and archive facilities, displays, meetings, lectures, exhibitions and other forms relevant to the above aims and objects of the trust.

3) Powers

In furtherance of the objects but not otherwise the trustees may exercise any of the following powers:

- (iii.) to raise funds and invite and receive contributions: Provided that in raising funds the trustees shall not undertake any substantial permanent trading activity and shall conform to any relevant statutory regulations;
- (iv.) to buy, take lease or in exchange, hire or otherwise acquire any property necessary for the achievement of the objects and to maintain and equip it for use;
- (v.) Subject to any consents required by law to sell, lease or otherwise dispose of all or any part of the property comprised in the fund;
- (vi.) Subject to any consents required by law, to borrow money and to charge the whole or any part of the trust fund with repayment of the money borrowed;

- (vii.) to co-operate with other charities, voluntary bodies and statutory authorities operating in the furtherance of the objects or similar charitable purposes and to exchange information and advice with them;
- (viii.) to establish or support any charitable trusts, associations or institutions formed for the objects or any of them;
- (ix.) to appoint and constitute such committees as the trustees may think fit;
- (x.) to employ such staff as are necessary for the proper pursuit of the objects and to make all reasonable and necessary provision for the payment and other statutory requirements.
- (xi.) To employ and remunerate any person (not being a trustee under this Deed), firm, society, association, corporation or other body for services rendered in the furtherance of the objects;
- (xii.) To permit any investments comprised in the trust fund to be held in the name of any clearing bank, any trust corporation or any stockbroking company which is a member of the Stock Exchange (or any subsidiary of such a stockbroking company) as nominee for the trustees and to pay any such nominee reasonable and proper remuneration for acting as such;
- (xiii.) to delegate to any one or more of the trustees the transaction of any business or the performance of any act required to be transacted or performed in the execution of the trusts of the charity and which is within the professional or business competence of such trustee or trustees. Provided that the trustees shall exercise reasonable supervision over any trustee or trustees acting on their behalf under this provision and shall ensure that all their acts and proceedings are fully and properly reported to them;
- (xiv.) to do all such other lawful things as are necessary for the achievement of the objects.

4) Appointment of trustees

- (i.) Subject to the provisions of clause 6 the first trustees shall hold office for the following periods respectively:
 - Who ever takes the Chair 5 years
 - Who ever takes position of Secretary 4 years
 - Who ever takes the position of Treasurer 3 years
 - Others 5 years
- (ii.) There shall be a minimum of three and maximum of five trustees. Every future trustee shall be appointed for a term not exceeding five years, the duration to be stated, by a resolution of the trustees passed at a special meeting called under clause 13. If a trustee is appointed to replace a trustee who is leaving office they may be appointed not more than three months before the other trustee leaves office but shall not take office until the other trustee has left office.
- (iii.) In selecting a trustee, the trustees shall take into account the benefits of appointing a person who is able by virtue of their personal or professional skills to make a contribution to the pursuit of the objects or the management of the charity.
- (iv.) When a new trustee is appointed the trustees shall ensure that any land belonging to the charity which is not vested or about to be vested in a custodian trustee or party under clause 3(x) is effectively vested in the persons who are the trustees following such appointment.
- (v.) If for any reason trustees cannot be appointed in accordance with the foregoing provisions, the statutory power of appointing new or additional trustees shall be exercisable.

5) Eligibility for trusteeship.

- (i.) No person shall be appointed as a trustee:
 - under the age of 18
 - in circumstances such that it is an offence under any United Kingdom charity acts.
- (ii.) No person shall be entitled to act as a trustee until after signing in the minute book of the trustees a declaration of acceptance and willingness to act in the trusts of the charity.

6) Determination of trusteeship

A trustee shall cease to hold office if he or she

- (i.) Is disqualified from acting as a trustee by virtue of Part 1 of the Law Reform(Miscellaneous Provisions) (Scotland) Act 1990 (or any statutory re-enactment or modification of that provision);
- (ii.) Becomes incapable by reason of mental disorder, illness or injury of managing and administrating his or her own affairs;

- (iii.) Is absent without the permission of the trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated;
- (iv.) Notifies to the trustees a wish to resign (but only if at least two trustees will remain in office when the notice is to take effect)

7) Vacancies.

If a vacancy occurs the trustees shall note the fact in their minutes at their next meeting. Any eligible trustee may be re-appointed. So long as there shall be fewer than two trustees none of the powers or discretions hereby or by law vested in trustees shall be exercisable except for the purpose of appointing a new trustee or trustees.

8) Ordinary meetings

The trustees shall hold at least five ordinary meetings each year. The first meeting to be called by the chairman within two months after the date of this deed. Subsequent meetings shall be arranged by the trustees at their meetings or may be called at any time by the chairman or any two trustees upon not less than seven days notice being given to the other trustees.

9) Chairman

The trustees at their first ordinary meeting shall, initially and subsequently after the expiry of the Chairman's period of office, elect one of their number to be chairman of the meetings until the end of their period of office as per clause 4. The chairman shall always be eligible for re-election. If the chairman is not present within ten minutes after the time appointed for holding the meeting or there is no chairman the trustees present shall choose one of their number to be chairman of the meeting.

10) Secretary and Treasurer

The trustees at their first ordinary meeting shall, initially and subsequently after the expiry of the office bearers period of office elect one of their number to be secretary and one to be treasurer until the end of their period of office as per clause 4.

11) Special meetings

A special meeting maybe called at anytime by the chairman or any two trustees upon not less than four days notice being given to the other trustees of the matters to be discussed, but if the matters include an appointment of a trustee or a proposal to amend any of the trusts of this deed then upon not less than 21 days notice be given. A special meeting may be called to take place immediately after or before an ordinary meeting.

12) Quorum

There shall be a quorum when at least one third of the number of the trustees for the time being or two trustees, whichever is the greater, are present at the meeting. Provided the facilities are available to all trustees a video conferencing or similar arrangement can be used if the trustees are all in agreement to such arrangements.

13) Voting

Every matter shall be determined by a majority of votes by the trustees present and voting on the question. The chairman of the meeting shall have a casting vote whether he or she has or has not voted previously on the same question.

14) Minutes

The trustees shall keep minutes, in books and/or other suitable media kept for the purpose, of the proceedings at their meetings.

15) Accounts

The trustees shall comply with their obligations under the Charities' Accounts (Scotland) Regulations 1992 (or any statutory re-enactment or modification of that provision);

- The keeping of accounting records for the charity;
- The preparation of annual statements of account for the charity;
- The auditing or independent examination of the statements of account of the charity;
- The transmission of the statements of account of the charity to the commissioners.

16) Annual Report

The trustees shall comply with their obligations under the Charities' Accounts (Scotland) Regulations 1992 (or any statutory re-enactment or modification of that provision) with regard to the preparation of an annual report and its transmission to the Commissioners.

17) Annual return

The trustees shall comply with their obligations under the Charities' Accounts (Scotland) Regulations 1992 (or any statutory re-enactment or modification of that provision) with regard to the preparation of an annual return and its transmission to the Commissioners.

18) General power to make regulations

Within the limits of this deed the trustees shall have the full power from time to time to make regulations for the management of the charity and for the conduct of their business, including the calling of meetings, the deposit of money at a bank and the custody of documents.

19) Bank account

Any bank account in which any part of the trust fund is deposited shall be operated by the trustees and shall be held in the name of the charity. All cheques and orders for payment of money from such accounts shall be signed by two trustees.

20) Trustees interests

- (i.) Subject to the provisions of sub-clause (ii.) of this clause. No trustee shall acquire any interest in property belonging to the charity (otherwise than as a trustee for the charity) or receive remuneration or be interested (otherwise than as a trustee) in any contract entered into by the trustees.
- (ii.) Any trustee engaged in any profession may charge and be paid all the usual charges for business done by him or her or his firm when instructed by the other trustees to act in a professional capacity on behalf of the Charity. Provided that it can be demonstrated this action is beneficial to the charity and at no time shall a majority of the trustees benefit under this provision. A trustee shall withdraw from meetings of the trustees at which matters appertaining to his or her or his or her firm instruction or remuneration is under discussion.

21) Management of land

Subject to any consents which may be required by law, the trustees shall either sell or let any land belonging to the charity which is not required to be retained or occupied in furtherance of the objects.

22) Leases

The trustees shall insure that on the grant by them of any lease the tenant shall execute a counterpart lease. Every lease shall contain a covenant on the part of the tenant for the payment of rent and a proviso for re-entry on non-payment of the rent or non-performance of the covenants contained in the lease.

23) Repair and Insurance

The trustees shall keep in repair and insure to their full value against fire and the other usual risks all the buildings of the charity which are not required to be kept in repair and insured by the tenant and shall also insure suitably in respect of public liability and employer's liability.

24) Amendment of trust deed

- (i.) The trustees may amend the provisions of this deed, provided that:
 - a) no amendment may be made to clause 2 unless it appears to the trustees that the objects can no longer provide a suitable and effective method of using the trust fund;
 - b) no amendment may be made to clause 2, clause 20 and this clause without following the Public Trusts (Reorganisation and Expenditure) (Scotland) (No 2) Regulations (or any statutory re-enactment or modification of that provision)
 - c) no amendment may be made which has the effect of the charity ceasing to be a charity at law.
- (ii.) Any amendment shall be made by deed under the authority of a resolution passed at a special meeting of the trustees.
- (iii.) The trustees should promptly send to the Scottish Charities Office a copy of any amendment made under this clause.

25) Dissolution

If the charity trustees decide that it is necessary or advisable to dissolve the charity, they shall realise any assets held by or on behalf of the charity. Any assets remaining after the satisfaction of any proper debts and liabilities shall be given or transferred by the charity trustees to such other charitable institution or institutions having objects similar to the objects of the charity as the charity trustees may decide, or, failing that, shall be applied by the charity trustees for some other charitable purpose."

IN WITNESS whereof the parties hereto have hereunto set their respective hands the day and year first before written.

Signed as a deed by the said _____ J.S.Bull

In the presence of- _____

Witness's Name
Address

Signed as a deed by the said _____ J.G.Burhouse

In the presence of- _____

Witness's Name
Address

Signed as a deed by the said _____ P.D. McQueen

In the presence of- _____

Witness's Name
Address

Signed as a deed by the said _____ P.G. Newman

In the presence of- _____

Witness's Name
Address

Signed as a deed by the said _____ P. Shephard

In the presence of- _____

Witness's Name
Address