

# PERPETUAL FUND ADMINISTRATION PROCEDURE DEED

**This Perpetual Fund Administration Procedure Deed** is made on the 11<sup>th</sup> November 2008

BETWEEN

- (1) St Patrick's College Jaffna Alumni Association United Kingdom (the "**Settlor**") acting by ANTON EMMANUEL JOSEPH of 76 Park Hill Road Wallington Surrey SM6 0RQ, WILFRED DILIPKUMAR TISSEVERASINGHE of 2 Stoneleigh Road Clayhall Essex IG5 0JB and CHRISTOPHER PONNUKONE of 33 Kingsfield Avenue Harrow Middlesex HA2 6AQ ("**the Trustees**") and
- (2) The Rector of St Patrick's College Jaffna, Sri Lanka (the "Beneficiary")

WHEREAS:

- (a) The Settlor is a registered charity number 1088167
- (b) The Trustees are members of a committee of Trustees of the Settlor, appointed in accordance with the instructions contained in this document, whose purpose is to advise on the distribution of the income arising from the Trust funds belonging to the Settlor. The authorised members nominated by the St. Patrick's College Alumni Association, referred to as the First Trustees shall be signatories to this document acting on behalf of the Settlor.
- (c) The Rector is the Principal of the said St. Patrick's College which receives financial assistance from the Settlor

**NOW THIS DEED WITNESSES** as follow:

The Trustees shall hold an initial sum of £80,000 subject to amendment (Pounds Eighty Thousand Sterling) in the United Kingdom Banks, Building Societies account/s and or any non speculative investments on the trusts declared in this deed and any other money or assets specifically received/ acquired from the Settlor on behalf of the Settlor.

**1. Administration**

The Trustees shall administer the Trust created by this deed.

**2. Name**

The Trust shall be called the St Patrick's College Jaffna Alumni Association United Kingdom Perpetual Fund Trust. Perpetual Fund is defined for this purpose as capital sum with the stipulated minimum with only the income accruing from investments available as laid down

in this deed for distribution for the needs of the beneficiary. Any capital in excess of the minimum is subject to provisions in this deed.

### **3. Objects**

- 3.1** The trusts sole object is to use the proceeds from the investment of the Trust funds for the purpose of achieving the following objectives of the Constitution of St Patrick's College Jaffna Alumni Association, United Kingdom as follows:-
- 3.2** to advance the education of students at St Patrick's College Jaffna, Sri Lanka by assisting in the provision of facilities, equipment, premises and other items at the College which would not otherwise be provided out of statutory funds.
- 3.3** to support orphaned, physically handicapped and other students in need at the College by the provision of material and financial assistance.

### **4. Minimum Capital Target**

- 4.1** A minimum capital target of £250,000 (Two hundred and fifty thousand Pounds Sterling) has been set by St Patrick's College Jaffna Alumni Association, United Kingdom in consultation with the Beneficiary to be maintained for the furtherance of the objects of the Trust.
- 4.2** The Trustees shall maintain the minimum capital target of £250,000 (Two hundred and fifty thousand Pounds Sterling) adjusted for inflation using the United Kingdom Retail Price Index. (RPI). Such adjustments shall be funded **by investment** income from the trust accounts prior to any distribution.
- 4.3** Until the minimum capital target of £250,000 (Two hundred and fifty thousand Pounds Sterling) is reached, the trustees shall only distribute up to a maximum of 65% of the investment income after adjustment for inflation, using the UK RPI and shall be made by bank transfer into the account of the Beneficiary.

### **5. Utilisation of Capital**

- 5.1** The Trustees may, at their discretion but in accordance with Clause 6, spend the trust funds in furtherance of the objectives in consultation with the beneficiary provided it is within the purposes of the Settlor
- 5.2** Any direct or indirect, authorised or unauthorised payment to any third parties by the Trust is prohibited.

**6. Distribution of Capital and Income.**

- 6.1 Upon reaching the minimum capital target as specified in Section 4.1 the Trustees shall maintain the minimum capital adjusted for inflation at all times. Any distribution of capital below this minimum is prohibited.
- 6.2 If at any time, the trust holds amounts in excess of the minimum required adjusted for inflation using the UK RPI the trustees may under exceptional circumstances distribute up to a maximum of 50% of the excess funds in any given calendar year to the Beneficiary. The Trustees and the Beneficiary will jointly agree the qualifying circumstances and the amount to be distributed.
- 6.3 Any distribution to the Beneficiary shall be in accordance with the wishes of the Settlor or as otherwise agreed with the Settlor and having regard to the objectives of the Settlor. Such distributions shall only be made out of income generated by the capital adjusted for inflation. Distribution of capital will be in accordance with clause 6.2. Transfer of capital may also be executed in the event of termination described in clauses 26 and 27.
- 6.4 The Trustees will report to the Settlor at least two times a year. The Settlor will review the composition of trustees, investments and other matters relating to the Trust.

**7. Powers of Trustees**

In addition to any other powers they have, the Trustees may exercise any of the following powers in order to further the objects (but not for any other purpose):

- 7.1 powers to appoint and constitute among the trustees such advisory Sub-committees as the trustees may think fit,
- 7.2 Sub-committee/s must report its decisions fully and promptly to the Trustees. It must not incur expenditure except in accordance with a budget previously agreed by the Settlor.
- 7.3 In furtherance of the objectives of the Trust the Trustees in their capacity as trustees shall not co-operate, support or associate itself with any political parties.

**8. Fund Raising**

The Trustees shall not engage in fund raising activities in their capacity as Trustees.

**9. Delegation**

The Trustees must exercise their powers jointly at properly convened meetings.

**10. Duty of care and extent of liability**

- 10.1 When exercising any power (whether given to them by this deed, or by statute, or by any rule of law) in administering or managing the Trust, each of the Trustees must use the level of care and skill that is reasonable in the circumstances, taking into account any special knowledge or experience that he or she has or claims to have ("the duty of care").
- 10.2 No Trustee, and no one exercising powers or responsibilities that have been delegated by the Trustees, shall be liable for any act or failure to act unless, in acting or in failing to act, he or she has failed to discharge the duty of care. All duties and responsibilities of the Trustees shall be joint and several.

**11. Appointment of Trustees**

- 11.1 The Trust shall have eleven Trustees, of whom four will be elected annually by the Settlor (among the Executive Committee Members of the St Patrick's College Jaffna Alumni Association UK ) and four elected from the ordinary paid up members of the St Patrick's College Jaffna Alumni Association UK at its annual general meeting and shall hold office for three years and will be eligible for re-election. The President, Secretary and Treasurer of the Settlor shall be ex officio members of the Trustees.
- 11.2 The Trustees shall appoint a chairman, Vice chairman and Secretary each year, and eligible for re-election.
- 11.3 The number of Trustees at any one time shall not be below seven in number. In the event of the number of Trustees falling below seven either due to resignation or being removed from office the Settlor, Trustees jointly hold the power to temporarily nominate a Trustee/s in order to maintain the minimum number of Trustees required paying due care to the representation from the executive committee and the general membership until the next Annual General Meeting of the St Patrick's College Jaffna Alumni Association UK. The appointment should require endorsement at the annual general meeting.
- 11.4 Voting rights shall remain 7:4 as far as reasonably practicable between the Trustees elected/nominated by the Settler and elected from the paid up members of the St Patrick's College Jaffna Alumni Association UK.
- 11.5.1 The Trustees and the Settler shall jointly and not severally hold the power to remove any number of Trustee/s for good and valid reason/s.
- 11.5.2 In selecting individuals for appointment as Trustees, the Proposer and the Seconder must satisfy themselves that their nominee is a member of good standing and has

personal knowledge of the work, the skills and experience in order to effectively contribute towards the administration of the Trust and when electing individuals for appointment as Trustees, regard must be had to the skills, knowledge and experience needed for the effective administration of the Trust.

- 11.7 The Trustees and the Executive Committee of the Settlor shall be jointly responsible for maintaining the minimum number of Trustees.

## **12. Eligibility for trusteeship**

- 12.1 All Trustees shall be residents or ordinary residents of the United Kingdom.
- 12.2 No one shall be appointed as a Trustee:
- 12.2.1 If he or she is under the age of 25 years; or
- 12.2.2 If he or she would be disqualified from office under the provisions of clause 13 of this deed.
- 12.3 No one shall be entitled to act as a Trustee whether on appointment or on any re-appointment as Trustee until he or she has expressly acknowledged, in whatever way the Trustees decide, his or her acceptance of the office of Trustee of the Trust.

## **13. Termination of trusteeship**

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

- 13.1 wishes to resign from office shall do so by giving 3 months written notice to the Trust. If the resignation is for reason(s) that the other trustees are in breach of the trust he/she is duty bound to bring those reasons to the attention of the Settlor and the beneficiary.
- 13.2 Is disqualified from acting as a Trustee by virtue of section 72 of the Charities Act 1993 or any statutory re-enactment or modification of that provision.
- 13.3 Becomes incapable by reason of mental disorder, illness or injury of managing his or her affairs;
- 13.4 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. The trustee should notify the Chairman of his/her inability to attend prior to the commencement of the meeting.

## **14. Reviews**

- 14.1 The Settlor, Trustees and the Beneficiary shall endeavour to meet at least once in 3 years to review the needs of the Beneficiary and all matters relating to the Trust.

The Rector of St Patrick's college Jaffa shall represent the Beneficiary or he may authorise an individual in consultation with the Settlor. Authorisation shall be in writing.

**15. Funding Requirement**

The Beneficiary shall request all funding requirement in writing before the 31st day of March each calendar year so far as is reasonably possible

**16. Ordinary meetings**

The Trustees must hold at least 2 ordinary meetings each year with a quorum of seven. No business shall be conducted at a meeting of the Trustees unless at least 6 Trustees are present throughout the meeting.

**17. Special meetings**

17.1 A special meeting may be called at any time by the chairman or by three Trustees. not less than four days' clear notice must be given to the other Trustees of the matters to be discussed at the meeting. However, if those matters include the appointment of a Trustee, not less than 21 days' notice must be given.

**18. Calling meetings and Notice**

18.1 The Trustees must arrange at each of their meetings the date, time and place of their next meeting, unless such arrangements have already been made.

**19. Chairing of meetings**

19.1 The Trustees at their first ordinary meeting in each year may elect one of their numbers to chair their meetings together with a vice-chairman as his deputy. They shall also elect a secretary and all 3 office bearers will be eligible for re-election.

19.2 Election shall be by means of a simple majority and by secret ballot if required by any member present. A trustee may vote by proxy by stating his preference in writing to the presiding officer. The names of office bearers standing for election will be formerly proposed and seconded by the trustees. The names of the elected office bearers must be communicated in writing to the settlor immediately. The secretary will be required to maintain the minutes of meetings and these shall be circulated at least 24 hours prior to the next meeting. The minutes shall be formerly proposed

and seconded. The secretary shall submit a copy of the minutes to the executive committee of the settlor.

**20. Voting**

20.1 At the meetings, decisions must be made by a majority of the Trustees present and voting on the question.

20.2 The person chairing the meeting shall have a casting vote whether or not he or she has voted previously on the same question but no Trustee in any other circumstances shall have more than one vote.

**21. Conflict of interest**

21.1 A Trustee must abstain from any discussions held by the trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Settlor and any personal interest (including but not limited to any personal financial interest).

**22. Minutes**

22.1 The SECRETARY OF THE TRUSTEES must keep minutes of the proceedings at their meetings BY SUCH MEANS AS THE TRUSTEES DECIDE.

22.2 The minutes the must contain a record their decisions and, where appropriate, the reasons for those decisions. The Trustees must approve the minutes in accordance with the procedures, laid down in regulations made under clause 19 of this deed.

**23. Accounts, Annual Report and Annual Return**

The Trustees must comply with the Settlor's accounting obligations under the charities act 1993 and any amendments thereof.

**24. Expenses**

The Trustees may authorise use the Settlor's funds to meet any necessary and reasonable expenses which they incur in the course of carrying out their responsibilities as Trustees in relation to meetings but all other expenditure shall require the approval of the Settlor.

**25. Amendment of Trust Deed**

Any amendment of this deed must be made by the Settlor at an Annual General Meeting., but no amendments shall be made to the definition of "perpetual fund" (clause2), "object" (clause3), "fund raising" (clause 8) "amendment of Trust deed" (clause 25). All other amendments shall have a quorum in accordance with clause 27.2

**26. Termination of Trust Deed**

The trust will automatically be terminated under the following circumstances:

- 26.1 The Beneficiary ceasing to exist as a provider of education.
- 26.2 If St. Patrick's College Jaffna Alumni Association UK ceases to exist.
- 26.3 If the Trustees and the Settlor jointly decide to terminate the trust solely for the purpose of transferring the assets of the trust to the beneficiary, the Trustees in this event shall have written permission from the Bishop of Jaffna and the Rector of St Patrick's College Jaffna. They will also obtain permission from the general body of members as per termination provisions. The trustees may stipulate how undistributed funds be dealt with and may require a guarantee from the receiver of the funds that they be used as stipulated.
- 26.4 Any legal reasons.

**27. Duties of Trustees following termination of the trust**

- 27.1 If the trust were to be terminated in accordance with clause 26 or for any other reason(s) the Trustees will remain in office irrespective of whether they were elected or nominated until such time the Assets are properly dealt with in accordance with the provisions of this Trust.
- 27.2 In the event of termination the Trustees will call for a special meeting of all members of St Patrick's College Jaffna Alumni Association UK. Minimum quorum required for this meeting would be 30% of all members who are eligible to vote. They would request the meeting to give them authority to wind up the trust and transfer the assets as permitted by this constitution. The motion can only be carried through by two thirds majority.

**28. Transfer of Assets Post Termination**

Assets of the Trust in the event of termination can only be transferred to the Beneficiary and in the absence of it to The Bishop of Jaffna, Diocesan fund. Distribution of assets in any shape or form to members or trustees or any persons natural or artificial is strictly prohibited.

IN WITNESS of which this deed the parties to it have signed below

(Signed on behalf of the Settlor by the First Trustees and the Beneficiary)

Signed and delivered as a deed by:

**ANTON EMMANUEL JOSEPH**

.....

(Signature)

On this..... day of .....

in the presence of:

.....

(signature of witness)

Witness's name:

.....

Witness's address:

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.....

Signed and delivered as a deed by:

**WILFRED DILIPKUMAR TISSEVERASINGHE**

.....

(signature)

on this .....day of .....

presence of:

.....

(signature of witness)

Witness's name:

.....

Witness's address:

.....

.....

Signed and delivered as a deed by:

**CHRISTOPHER PONNUKONE**

.....

(signature)

on this .....day of .....

in the presence of:

.....  
(signature of witness)

Witness's name:

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Witness's address:

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Signed and delivered as a deed by:

**Fr Jero Selvanagam**

Rector of ST PATRICK'S COLLEGE Jaffna

.....

(signature)

on this ..... (day) of .....(month) .....(year)

.....

(signature of witness)

Witness's name:

.....

Witness's address:

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