

Approved by: Board of Trustees
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NEOTREE

CONFLICTS OF INTEREST POLICY

1 INTRODUCTION

- 1.1 This policy applies to the directors (the “**Directors**” or the “**Trustees**”) of Neotree, a registered charity in England and Wales (charity number 1186748) and a company limited by guarantee without share capital and having a use of 'Limited' exemption in England and Wales (company number 11422323) (“**Neotree**” or the “**Charity**”) and sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.
- 1.2 The Charity Commission considers it good practice for charity trustees to implement a conflicts of interest policy. The Commission's guidance for charity trustees on conflicts of interest is available on its website at: <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>.
- 1.3 In this policy references to:
- (a) “**articles**” means the articles of association of Neotree, as subsequently amended or replaced from time to time;
 - (b) “**conflicts**” or “**conflicts of interest**” include actual and/or potential conflicts of interest and/or duty;
 - (c) persons who are “**connected**” with a charity trustee includes:
 - (i) a child, stepchild, grandchild, parent, brother or sister of a charity trustee;
 - (ii) the spouse, unmarried partner or civil partner of a charity trustee or of any person falling within paragraph (i) above;
 - (iii) any person who is in a business partnership with a charity trustee or any person who is in a business partnership with any person falling within paragraph (i) or (ii) above; and
 - (iv) any company, business, trust or organisation in which a charity trustee (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

If in doubt about whether a person is connected, a charity trustee should seek advice from a solicitor or other person qualified to advise on the matter; and

- (d) "**benefit**" includes any payment or material benefit (including but not limited to property, loans, goods and services), other than reasonable out of pocket expenses.

- 1.4 Neotree's articles set out some procedures in relation to conflicts of interest. This policy should be read in conjunction with the articles, and relevant provisions in the articles take precedence over this policy.

2 THE PURPOSE OF THIS POLICY

- 2.1 Trustees have a duty to act in the best interests of Neotree. In particular, they must not place themselves in a position where they have, or may have or create the perception of a direct or indirect interest that conflicts with their duties as a Trustee and must not profit from their position as a Trustee.
- 2.2 These obligations derive from the general fiduciary duties owed by charity trustees and the Companies Act 2006, which sets out specific requirements in relation to conflicts of interest.

3 IDENTIFYING CONFLICTS OF INTEREST

- 3.1 A conflict of interest is any situation in which a Trustee's direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of Neotree.
- 3.2 Conflicts of interest may arise:
 - (a) where a Trustee (or a person connected to them) stands to obtain a benefit from Neotree; or
 - (b) where a Trustee has a duty of loyalty to a third party that conflicts with their duty to Neotree.
- 3.3 When considering if they have a conflict of interest, a Trustee must be aware of the following principles:
 - (a) a conflict of interest exists if there is a possibility that the Trustee's personal interest could influence their decision-making, even if the Trustee's decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for a Trustee to be in breach of their duties; and
 - (b) the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to a Trustee as well as to their own personal interests.

3.4 It is impossible to set out every situation which may result in a conflict, but common situations include:

- (a) selling, loaning or leasing Neotree assets to a Trustee (or a person connected to them);
- (b) acquiring, borrowing or leasing assets from a Trustee (or a person connected to them);
- (c) the exploitation by Neotree of any property, information or opportunity held by a Trustee (or a person connected to them);
- (d) paying a Trustee for carrying out:
 - (i) their role as a trustee,
 - (ii) a separate paid post at Neotree (even if they have resigned as a Trustee); or
 - (iii) a post at Neotree's subsidiary trading company;
- (e) paying a Trustee (or a person connected to them) for providing a service and/or goods to Neotree;
- (f) employing a person connected to a Trustee at Neotree or its subsidiary trading company;
- (g) making a grant to a Trustee (or a person connected to them) or determining Neotree's grant-making policy where the Trustee (or a person connected to them) is a beneficiary;
- (h) making decisions in relation to service provision where a Trustee (or a person connected to them) is a service user;
- (i) a transaction between Neotree and its trading subsidiary (or another charity) where a Trustee is a director (or charity trustee) of both entities, and the transaction results in Neotree receiving a substantial asset from, or transferring a liability to, the other entity;
- (j) when a Trustee (or a person connected to them) owes a legal obligation or duty towards another organisation or person (for example, an employer or another charity of which they are a charity trustee) that conflicts with the Trustee's duty to Neotree;
- (k) when a Trustee has a personal sense of loyalty to another organisation or person that conflicts with their loyalty to Neotree; and
- (l) when a Trustee has religious or political views that could interfere with their ability to make decisions in the interest of Neotree.

4 PROCEDURE FOR DECLARING INTERESTS

- 4.1 All Trustees have a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict.
- 4.2 On appointment, all Trustees must complete a declaration of interests form, in a form similar to the one attached at Schedule 1:
- (a) listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests;
 - (b) listing any interests of persons connected to them that may potentially give rise to a conflict of interest;
 - (c) declaring any gifts or hospitality received or offered to them in their capacity as a Trustee;
 - (d) confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
 - (e) confirming that they will update the form annually, or sooner if any changes occur; and
 - (f) confirming that they will declare any conflict that arises in the future.
- 4.3 The information provided by Trustees must be recorded and updated in a register of charity trustees' interests, in a form similar to the one attached at Schedule 2. Annually all Trustees must review the information relating to them contained in the declaration of interests and declare that the information is correct or make a further declaration if necessary.
- 4.4 It is for individual Trustees to decide which matters to declare but, if in doubt, they should make a declaration. If a Trustee is not sure what to declare, or whether/when a declaration needs to be updated and/or would like to discuss the issue, they may contact the Chair of the Board or the Treasurer of Neotree for confidential guidance.

5 GIFTS

- 5.1 A register of interests will be kept by Neotree to record all gifts of a value over £50 and hospitality over £50 received by the Trustees and staff.
- 5.2 Interests and gifts will be recorded on Neotree's register of interests, which will be maintained by the Chair of the Board. The register will be accessible by all Trustees online.

6 MAINTAINING THE REGISTER OF CHARITY TRUSTEES' INTERESTS

- 6.1 The Chair of the Board will be responsible for maintaining the register of Trustees' interests, and will:
- (a) record in the register all conflicts, interests, gifts and hospitality declared by Trustees; and
 - (b) circulate amendments or additions to the register (if any) to the charity trustee board at the start of each Trustee meeting.
- 6.2 The register of Trustees' interests will be available for inspection by any Trustee on request.

7 DECLARATION OF INTERESTS BY PROSPECTIVE CHARITY TRUSTEES

- 7.1 Before a prospective charity trustee is appointed, they must be asked to declare any direct or indirect interests they have that might give rise to a conflict of interests.
- 7.2 If the Trustees consider it likely that the prospective charity trustee will be subject to serious or frequent conflicts of interest, the Trustees should consider whether it is appropriate to proceed with the appointment.

8 PROCESS FOR DECLARING CONFLICTS

- 8.1 The first item on the agenda of each Trustee meeting will be a standing item requiring all Trustees attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.
- 8.2 If a Trustee considers that they have an actual or potential conflict, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict.
- 8.3 If a Trustee is aware that another Trustee has an actual or potential conflict that has not been declared, they must notify the Chair of the Board.
- 8.4 If the Chair of the Board is declaring a conflict, they must inform the other Trustees.
- 8.5 If a Trustee is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest.
- 8.6 The secretary of Neotree must note all conflicts declared in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next Trustee meeting.
- 8.7 Written records of the potential conflict kept by the secretary should detail:
- (a) The identity of the connected party and any other party that may benefit from the transaction;

- (b) The start date of the transaction;
 - (c) The terms of the transaction;
 - (d) The business purpose of the transaction;
 - (e) The benefits of the transaction to the charity and the connected party (if any);
and
 - (f) Any other information the Chair of the Board requests.
- 8.8 A Trustee who has a direct or indirect interest in any proposed transaction or arrangement must declare the nature and extent of that interest before the transaction or arrangement is entered into.
- 8.9 If a Trustee has a direct or indirect interest in a transaction or arrangement that has already been entered into by Neotree but has not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.
- 8.10 If a declaration made under paragraph 8.8 or paragraph 8.9 proves to be or becomes inaccurate or incomplete, the conflicted Trustee must make a further declaration giving correct information about the nature and extent of their interest.
- 8.11 A declaration made under paragraph 8.8, paragraph 8.9 or paragraph 8.10 must be made either at a meeting of the Trustees or by sending written notice to the other Trustees.
- 8.12 A Trustee may give general notice that they or a person connected to them has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by Neotree, after the date of the notice. Such notice must be given at a meeting of the Trustees or the relevant Trustee must take reasonable steps to ensure that it is brought up and read at the next meeting of the Trustees after it is given. The notice must state the nature and extent of the interest that the Trustee or a person connected to them has in the company, business or organisation.
- 8.13 If you are a user of Neotree's services, or the carer of someone who uses Neotree's services, you should not be involved in decisions that directly affect the service that you, or the person you care for, receive(s). You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion, unless expressly invited to remain in order to provide information. In this case you may not participate in, or influence, the decision or any vote on the matter. You will not be counted in the quorum for that part of the meeting and must withdraw from the meeting during any vote on the conflicted item.

9 DATA PROTECTION

All information provided in accordance with this policy will be processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data will be processed in accordance with the data protection policy.

10 PROCEDURE FOR ASSESSING CONFLICTS AT MEETINGS

10.1 At the start of each meeting of the Trustees:

- (a) The Chair of the Board or the person chairing the meeting must inform the other Trustees and the secretary of Neotree of any conflict of interest that has been declared by a Trustee that relates to the business to be discussed at the meeting; and
- (b) The Chair of the Board or the person chairing the meeting will circulate any amendments or additions to the register of charity trustees' interests made since the last meeting of the Trustees.

10.2 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted Trustees must therefore:

- (a) assess the nature and extent of the conflict;
- (b) assess the risk or threat to decision-making by the Trustees;
- (c) decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the Trustees from making decisions in the best interests of Neotree, relates to a significant decision or risks significantly damaging Neotree's reputation); and
- (d) decide what steps to take to handle the conflict.

When considering the conflict, Trustees must take all relevant factors into account, make decisions only in the best interests of Neotree and always protect Neotree's reputation.

10.3 The conflicted Trustee must not take part in any discussion or decision about the conflict and how to handle it and will not be counted in the quorum for that part of the meeting.

10.4 The non-conflicted Trustees must consider whether it is necessary to seek the advice of Neotree's legal adviser on whether the conflict is serious and/or on how to manage the conflict declared.

11 AUTHORISED CONFLICTS OF INTEREST

11.1 The Trustee's duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by any of the following:

- (a) an express provision in Neotree's governing document;
- (b) a statutory provision, such as the powers in the Charities Act 2011 to:
 - (i) pay a Trustee (or a connected person) for providing services to the charity (sections 185 to 188); or
 - (ii) take out and pay premiums for trustee indemnity insurance (section 189); or
- (c) the Charity Commission or the court.

11.2 In each case, the Trustee must always follow any conditions that apply to the authorisation.

12 PROCEDURES FOR MANAGING CONFLICTS

12.1 If the conflict arises owing to a financial transaction between Neotree and a Trustee (or a connected person), or because a Trustee (or a connected person) will or may obtain a benefit from Neotree:

- (a) any potential or proposed benefit must be authorised in advance (see section 10 (Authorised conflicts of interest) above); and
- (b) the conflicted Trustee must:
 - (i) withdraw from all discussions and decisions in relation to the matter; and
 - (ii) not be counted in the quorum for that part of the meeting.

12.2 If the non-conflicted Trustees decide that a conflict is serious, they must consider:

- (a) securing the conflicted Trustee's resignation and/or appointing a new Trustee who is not conflicted;
- (b) not pursuing the course of action that gives rise to the conflict or proceeding in a different way so that the conflict does not arise;
- (c) seeking independent, expert advice about how to handle the conflict; and
- (d) asking the Charity Commission for guidance.

- 12.3 If a conflict is not serious, the non-conflicted Trustees must decide what procedures and level of participation by the conflicted Trustee are appropriate. A number of steps can be taken to deal with the conflict, including:
- (a) requiring the conflicted Trustee to withdraw from the meeting for the relevant item and not to be counted in the quorum for that part of the meeting;
 - (b) allowing the conflicted Trustee to remain in the meeting for the relevant item to take part in the discussion, but requiring them to withdraw from the meeting during decision-making and to have no right to vote on the matter; or
 - (c) appointing a new, non-conflicted Trustee.
- 12.4 If the non-conflicted Trustees decide that the conflict is low risk (in that it will not prevent the conflicted Trustee from making decisions in the best interests of Neotree), they may agree that the conflicted Trustee may continue to participate in discussions and the decision-making process.
- 12.5 The chair must inform the conflicted Trustee of the non-conflicted Trustees' decision about how to manage the conflict.
- 12.6 The minutes of the relevant meeting must include a record of the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict.
- 12.7 The charity secretary should take special care to ensure that minutes or other documents relating to the item presenting a conflict are appropriately redacted for the person facing the conflict. A balance needs to be made to ensure that the person still receives sufficient information about the activities of Neotree generally without disclosing such sensitive information that could place the individual in an untenable position.
- 12.8 Where a Trustee or a connected person receives a payment or benefit from Neotree, this must be reported in the annual accounts in accordance with the current Statement of Recommended Practice for accounting by charities (Charities SORP).
- 12.9 All payments or benefits in kind to trustees will be reported in Neotree's accounts and annual report, with amounts for each Trustee listed for the year in question.
- 12.10 Where a member of Neotree's staff is connected to a party involved in the supply of a service or product to Neotree, this information will be fully disclosed in the annual report and accounts.

13 MANAGING CONTRACTS

If there is a conflict of interest, the conflicted Trustee must not be involved in managing or monitoring a contract in which such Trustee has an interest. Monitoring

arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

14 ADVISERS AND CONFLICTS

- 14.1 Before appointing any advisers to Neotree, the Trustees must consider whether the adviser has, or may be seen to have, any actual or potential conflict with the interests of Neotree.
- 14.2 All advisers to Neotree must be appointed by the Trustees under terms that include:
- (a) an obligation to inform the Trustees if any circumstances arise in which they are or may be conflicted; and
 - (b) an obligation to address any conflicts that arise in the work they do for the Trustees.

15 TRAINING

All newly appointed Trustees must receive training on this policy and on identifying situations that may result in a conflict and ways in which conflicts can be managed in practice. In addition, Trustees must be familiar with the principles contained in the Charity Commission's guidance on conflicts (see paragraph 1.2).

16 MONITORING, ENFORCING AND REVIEWING THIS POLICY

- 16.1 Any Trustee who becomes aware of a breach of this policy must report it to the Chair of the Board as soon as possible.
- 16.2 The Chair of the Board must:
- (a) report all breaches of the policy of which they are aware to the Trustees at the next Trustee meeting; and
 - (b) ensure that all breaches are noted in the minutes of the relevant Trustee meeting.
- 16.3 The Trustees have implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the Trustees being invalidated or in any liability to Neotree's beneficiaries.
- 16.4 This policy must be reviewed annually, or sooner if required, by the Trustees.

Schedule 1

DECLARATION OF INTERESTS FORM

I as employee/trustee* [**delete as appropriate*] of Neotree have set out below my interests in accordance with the organisation's conflicts of interest policy.

Category	Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings over 3% and beneficial interests.	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Do you use, or care for a user of the organisation's services?	
Any contractual relationship with Neotree or its subsidiary.	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:

Schedule 2

REGISTER OF INTERESTS

Date notified	Name of Charity Trustee	Brief details of interest notified	Brief details of any action taken

The Charity's [Register of Interests](#) can be found [here](#).