

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY GUARANTEE

WRITTEN RESOLUTION

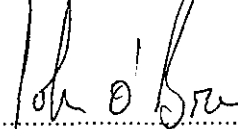
OF

URBAN MINES LIMITED

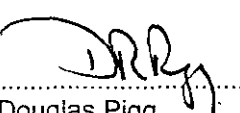
Pursuant to section 381A of the Companies Act 1985 (as amended by the Deregulation (Resolutions of Private Companies) Order 1996), the undersigned, being the members of the Company entitled to attend and vote at general meetings of the Company agree to and pass the following written resolution:

THAT:

- 1 the regulations contained in the document attached to this written resolution and marked "A" be adopted as the memorandum of association of the Company in substitution for and to the entire exclusion of the existing memorandum of association.

  
.....  
John O'Brien


26 July 04  
.....  
Dated

  
.....  
Douglas Pigg

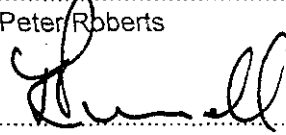
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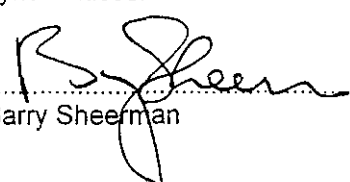
26/07/04  
.....  
Dated

  
.....  
Prof. Peter Roberts

26-07-04  
.....  
Dated

  
.....  
Lynva Russell

26.07.04  
.....  
Dated

  
.....  
Barry Sheerman

26th July 2004  
.....  
Dated



"A"

COMPANIES ACTS 1985 & 1989

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MEMORANDUM OF ASSOCIATION

of

URBAN MINES LIMITED

Company Number 03092736

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ADDLESHAW GODDARD

COMPANIES ACTS 1985 TO 1989  
COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL  
MEMORANDUM OF ASSOCIATION  
OF  
Urban Mines Limited

**1 Name**

The name of the company is Urban Mines Limited ("the Charity")

**2 Registered Office**

The registered office of the Charity is The Cobbett Environmental Enterprise Centre, Village Street, Norwood Green, Halifax, West Yorkshire, HX3 8QG

**3 Objects**

The objects of the Charity are:

- 3.1 to promote the development and expansion of sustainable waste management practices amongst businesses and other organisations in the community. "Sustainable" being the development that meets the needs of the present without compromising the ability of future generations to meet its own needs;
- 3.2 to promote the creation of a more environmentally conscious society and to seek to promote, by means of educational initiatives, more consumers of products to be encouraged to buy recycled goods in preference to others; and
- 3.3 to advance public education by undertaking research into the development of innovative processes and systems in relation to all aspects of waste reduction and recycling.

**4 Powers**

- 4.1 The Charity has the following powers which may be exercised only in promoting the Objects:

- (a) To promote or carry out research
- (b) To provide advice
- (c) To publish or distribute information
- (d) To acquire and hold land and buildings on trust
- (e) To support, administer or set up other charities
- (f) To raise funds (but not by means of taxable trading)
- (g) To borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Act 1993)

- (h) To acquire or hire property of any kind
- (i) To let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act 1993)
- (j) To make grants or loans of money and to give guarantees
- (k) To set aside funds for special purposes or as reserves against future expenditure
- (l) To deposit or invest funds in any manner (but to invest only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification)
- (m) To delegate the management of investments to a financial expert, but only on terms that:
  - (i) the investment policy is set down in writing for the financial expert by the Trustees
  - (ii) every transaction is reported promptly to the Trustees
  - (iii) the performance of the investments is reviewed regularly with the Trustees
  - (iv) the Trustees are entitled to cancel the delegation arrangement at any time
  - (v) the investment policy and the delegation arrangement are reviewed at least once a year
  - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt
  - (vii) the financial expert must not do anything outside the powers of the Trustees
- (n) to arrange for investments or other property of the Charity to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of the Trustees or of a financial expert acting under their instructions to pay any reasonable fee required
- (o) to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required
- (p) to insure the Trustees against the costs of a successful defence to a criminal prosecution brought against them as charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustees concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty
- (q) subject to clause 5 to employ paid or unpaid agents staff or advisers
- (r) to enter into contracts to provide services to or on behalf of other bodies
- (s) to establish subsidiary companies to assist or act as agents for the Charity

- (t) to pay the costs of forming the Charity
- (u) to do anything else within the law which promotes or helps to promote the Objects

## **5 Benefits to members and trustees**

- 5.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the members of the Charity but
- (a) members who are not Trustees may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied
  - (b) members (including Trustees) may be paid interest at a reasonable rate on money lent to the Charity
  - (c) members (including Trustees) may be paid a reasonable rent or hiring fee for property let or hired to the Charity
  - (d) individual members who are not Trustees but who are beneficiaries may receive charitable benefits in that capacity
- 5.2 A Trustees must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except
- (a) as mentioned in clauses 4.1(p), 5.1(b), 5.1(c) or 5.3
  - (b) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity
  - (c) an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings)
  - (d) payment to any company in which a Trustee has no more than a 1 per cent shareholding
  - (e) in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance)
- 5.3 Any Trustee (or any firm or company of which a Trustee is a member or employee) may enter into a contract with the Charity to supply goods or services in return for a payment or other material benefit, but only if
- (a) the goods or services are actually required by the Charity
  - (b) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in clauses 5.4
  - (c) no more than one half of the Trustees are subject to such a contract in any financial year
- 5.4 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee the Trustee concerned must:
- (a) declare an interest at or before discussion begins on the matter

- (b) withdraw from the meeting for that item unless expressly invited to remain in order to provide information
- (c) not be counted in the quorum for that part of the meeting
- (d) withdraw during the vote and have no vote on the matter

5.5 This clause may not be amended without the prior written consent of the Commission

## **6 Limited liability**

The liability of members is limited

## **7 Guarantee**

Every member promises if the Charity is dissolved while he she or it remains a member or within 12 months afterwards to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a member

## **8 Dissolution**

8.1 If the Charity is dissolved the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:

- (a) by transfer to one or more other bodies established for exclusively charitable purposes within the same as or similar to the Objects
- (b) directly for the Objects or charitable purposes within or similar to the Objects
- (c) in such other manner consistent with charitable status as the Commission approve in writing in advance

8.2 A final report and statement of account must be sent to the Commission

## **9 Interpretation**

9.1 Words and expressions defined in the Articles have the same meanings in this Memorandum

9.2 References to an Act of Parliament are references to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it

URBAN MINES LTD

Meeting of the Board  
The Cobbett Centre  
26 July 2004

MINUTES

Present:

Barry Sheerman (BJS)	}	Directors
Peter Roberts (PWR)		
John O'Brien (JOB)		
Doug Pigg (DP)		
John Pike (JDP)		
Lynva Russell (LJR)		

Jane Forshaw (JF)  
James Horne (JH)  
Margaret Radcliffe (MR)

**ITEM 1 – Apologies**

1.1 There were no apologies

**ITEM 2 – Minutes of Last Meeting**

2.1 The minutes of the previous meeting were read and there were several matters arising.

2.2 PWR has spoken with his contact at AWM and he confirmed that AWM have placed a moratorium on all funding at present. This confirmed what JF and Peter Scholes (PS) had previously discovered. BJS has spoken with the relevant Minister and is awaiting a call from the Chief Executive of AWM this week.

2.3 JF has been attempting to get clarification from AWM as to whether the contract will be awarded to us in April 2005. An answer is yet to be forthcoming.

2.4 JF raised the possibility of involving the Parliamentary Ombudsman in order to file a formal complaint against AWM.

2.5 DP suggested that we ought to tread carefully in any recriminatory action we take against AWM, so as not to upset them. The RDAs are one of the main funders of UM and it would not be wise to get on the wrong side of them.

2.6 PWR has spoken with his contact at Cartridge World regarding the possibility of working more closely with ELC. The contact referred him to a colleague who is out of the country, PWR will speak with this colleague when he returns.

2.7 Volunteers were asked for to become the Health and Safety representative on the Board. DP said he would take the role subject to receiving further guidance. This was accepted and DP is now the Board member with responsibility for health and safety. JF said she would provide the necessary guidance to DP.

2.8 It was noted that the extraordinary meeting of the board on 10 June to discuss RAY was time well spent.

2.9 All aspects of the discussions with Yorkshire Forward regarding RAY are now being recorded. The high hopes that were held for the RAY contract have not been realised, although it is clear that UM is still viewed by Yorkshire Forward as a key facilitator for the RAY project.

**ACTION: PWR to follow up with Cartridge World.**  
**JF to arrange Health and Safety briefing for all Directors.**

### **ITEM 3 – Chairman's Report**

3.1 The written report from the Chairman was circulated prior to the meeting.

3.2 BJS emphasised that UM was still experiencing turbulent times following the shake up of government funding for environmental work.

### **ITEM 4 – Charitable Status**

4.1 MR joined the meeting to introduce this item.

#### **Members' Written Resolution**

4.2 A special resolution in the form of a written resolution to be forwarded to the members of the Company for the purpose of considering and, if thought fit, passing the following as a special resolution was tabled:-

THAT:

1 the regulations contained in the document attached to this written resolution and marked "A" be adopted as the memorandum of association of the Company in substitution for and to the entire exclusion of the existing memorandum of association.

4.3 The directors carefully considered the contents of the written resolution and after due and careful consideration it was resolved that the written resolution be sent to the members of the Company required to sign it. The meeting was then adjourned for this purpose.

4.4 When the meeting reconvened, the Chairman reported that the written resolution had been signed by the members of the Company required to sign it and accordingly had been validly passed.

#### **Returns**

4.5 MR was instructed, on behalf of the secretary, to prepare and file all necessary forms and documents with the Registrar of Companies and to make all necessary entries in the Company's statutory books to reflect the business transacted in this item.

4.6 JDP noted that the Cobbett Centre building is not part of a permanent endowment and therefore becoming a charity would not affect this.

4.7 MR left the meeting.

**ACTION: MR to undertake all action points in para. 4.5.**

### **ITEM 5 – Presentation of Forward Plan, Current Issues including Project Updates**

5.1 JF provided a presentation of the Forward Plan she had prepared prior to the meeting.



5.2 It was noted that financially things are extremely challenging from December onwards.

5.3 Discussion of this item occurred under Item 8.

#### **ITEM 6 – Presentation of Financial Issues**

6.1 MR joined the meeting for this item and took those present through the Finance Managers Report and associated papers.

6.2 It was commented that the Business Link audits are indicated as red because the income is dependent on getting companies to receive an audit. So far one company has agreed to a one-day audit (we offer 10 days).

6.3 Some initial consultancy work is being performed for Boots which it is hoped will be the start of a more comprehensive package of work. There might be some surplus generated through the fees charged for this work.

6.4 MR summarised the costs of running the Cobbett Centre and further explained some items on the budget. It was noted that the Advertising/Marketing/Fundraising budget has, in the past, been used to assist with covering 'above the line' work time. As we are now beginning to spend on advertising, marketing and fundraising there is now not as much excess in this item to cover above the line work.

6.5 The item named 'rent' is to cover the costs incurred if it is decided to mortgage the building.

6.6 There are currently 6 empty desk spaces within the Cobbett Centre and it was requested that a real effort be made to lease these out in the next couple of months. When doing this we should bear in mind that it is an *Environmental Enterprise Centre*.

6.7 The profit and loss spreadsheet that MR had prepared is very much a first draft as it is not long since the year end.

6.8 DP asked if there were any underpinning trends in the accounts especially in relation to overestimating our in-house expertise. MR stated that she didn't think this was the case.

6.9 MR explained that the profits were not made by one single type of work but contributed to by all work.

6.10 The insurers had settled out of court with Abdul Kaleem. This was against our wishes but we had been unable to do anything to counter this. JDP suggested that it might be prudent to change insurers because the premiums could become heavier because of the claim.

6.11 Despite the claim made against us by Avril McGarvey the Professional Indemnity insurance can still be renewed.

**ACTION: JH to work on attracting tenants.**

#### **ITEM 7 – Marketing Feedback – Presented by Andy Green of Green Comms.**

7.1 Andy Green (AG) joined the meeting for this item.

7.2 AG circulated two spider diagrams that summarised the discussions that had taken place thus far with JOB and LJR. He took those present through these papers.

7.3 The Assets heading relates to the things that UM possess which other companies newly entering the market would not.

7.4 The phrase 'broad range of environmental skills' might more accurately describe what UM offers if it is altered to 'broad range of environmental *solution* skills'

7.5 AG described the business competencies as the building blocks of the products. The products are the translation of the business competencies into income.

7.6 AG noted that the Resource Revolution web site was now live and he wanted to explore other ways to use the Resource Revolution brand. One suggestion was to use it as a mark of approval on products to indicate they are environmentally friendly/recycled. The 'Resource Revolution Approved' tag could become the label for recycled quality. This would require the development of the brand and the development of partnerships with retailers. For example, IKEA could use the label on their products. PWR noted that there are brands in Germany that have a similar function to that proposed for the Resource Revolution tag.

7.7 It was noted that, although there are areas in which UM lacks expertise, care should be taken not to try to be all things to all people. In addition, UM should not try to be too radical, as this could put people off.

7.8 The question of whether the UM name remained suitable was raised. In response AG noted that, although it may not be as effective as it could be, UM should keep its name and develop a brand mentality where there is one brand for UM and several product brands e.g. SGP. AG cited Proctor & Gamble as a prime example of this kind of strategy. With this in mind it was suggested that when UM becomes a charity there could be a 'cuddly' brand that encourages bequests and other donations. It was noted that the Rural Mines brand has been used in the past for some UM activities.

7.9 AG stated that the next step in the marketing process is to turn the diagrams into income.

7.10 The issue was raised of how to strike a balance between the main product (i.e. the SGP) and smaller products (e.g. audit work). AG explained that there was no rule regarding how an organisation should focus its resources.

7.11 It was stressed that UM needs to make the most of the impetus that the construction of the first SGP will create. This will present numerous income generating opportunities but only if they are acted upon as soon as they arise. It needs to be decided how UM will make money from the SGP concept. One possibility is that, as new SGPs are developed, UM has various levels of involvement in them. This could range from fully managing the project to playing only a minor consultancy role. The three saleable aspects of the SGP are:

- Delivery
- Consultancy
- Training and teaching

7.12 The SGP concept should be sold to decision makers as a way of achieving recycling targets. BJS noted that the organisations that should be targeted are:

- Office of the Deputy Prime Minister (ODPM)
- DEFRA
- The Environment Agency
- DTI (Phoenix funding stream)
- The Treasury
- Cabinet Office Team

In addition, waste management companies should also be targeted. All these organisations should be approached with immediate fund raising in mind. BJS said he would speak with Ed Balls at the ODPM to sell the concept to him.

7.13 It was noted that the Castleford SGP has to come to fruition if the SGP concept is to realise its full potential. PWR suggested that a Strategic Environmental Assessment should be performed for the SGP because this will make it more difficult to refuse the planning application. The new Planning Act puts pressure on planning authorities to promote sustainability.

7.14 JF made the point that, although the SGP is a superb concept, it quite often falls between a number of stools when applying for funding. Funders are interested in parts of the scheme and not others and can be put off by the parts that do not fall within their remit.

7.15 AG requested that those present thought about three things:

- What gaps in the diagrams there are, if any
- What the business plan and expected expenditure and income are
- What business opportunities there are

7.16 In addition, AG felt that the Directors should examine the company products based on the Boston Matrix model. He feels that the SGP is the 'Rising Star', but is unsure what the company's 'Cash Cow' is or whether there are any products that are 'Dogs'.

7.17 AG feels that the crucial decision at the present time is at what point to commence with the marketing activity. He noted that the budget for marketing would be what could be afforded. Initially it would probably be people resources that are utilised but some publicity materials would be required fairly early on, and these would require financial input.

7.18 LJR expressed concern that it might be too early at present because we haven't yet got the credibility to back up the marketing. Furthermore, if the concept is revealed through the publicity someone else might try to replicate it.

7.19 It was suggested that when the marketing campaign commenced, the wider circulating media such as the BBC should be briefed to try and reach as large an audience as possible.

7.20 It was suggested that some kind of interim project with Wakefield MBC could serve to generate income and publicity. John Foster, the CE of Wakefield MBC, is 'Mr Publicity' so would be a good ally in promoting our cause. However, it needs to be noted that we should be sensitive because of the planning applications so it might not be beneficial to do this right now.

7.21 AG left the meeting after being thanked by the Chair for his input.

**ACTION: BJS to speak with ED Balls at the ODPM.  
All to consider the three points raised in para. 7.15**

## **ITEM 8 – Discussion**

8.1 Partnerships are currently being developed with numerous local authorities to become the 'preferred partner' on applications to DEFRA for consultancy grants. The local authorities are not currently being charged for assistance in compiling and submitting these grants. This is because we are trying to sell ourselves so that we are in a prime position to receive the bulk of the consultancy work that may be paid for through the DEFRA grant. 8 applications have been submitted to DEFRA of which 4 will probably be approved.

8.2 Some members of staff are double counted in the overheads calculation because they are included within the Cobbett Centre running costs as well. This may appear to be introducing a double margin because of the excess charged on day rates to cover expenses and profit, but in reality the double counting covers sick and leave days as well as time spent preparing bids.

8.3 PWR noted that regeneration consultants are currently charging very low day rates because there is market excess. Those that would normally charge £350 are charging £250. He wondered if the UM day rate of £450 was too high and whether any previous tenders or funding applications had been unsuccessful because of this. JF responded that there had not been any indication that tenders or bids had failed because the day rate had been too high, but she would ask Peter Scholes (PS) about this as he had performed the follow up work on failures.

8.4 JF sought agreement on the deployment of UM's landfill tax reserves in order to keep the company afloat until October 2004. All present agreed that the landfill tax reserves could be deployed for this purpose.

8.5 Onyx will be approached to see if the £50,000 they previously offered to match the AWM funding will still be available in April 2005 if required.

8.6 It was agreed that we should proceed with mortgaging the Cobbett Centre. The building has been valued in the past for commercial use only and it was suggested that residential value would be a lot higher. It was agreed that a residential property developer should be consulted on the matter. It was noted that planning permission for residential use would be a relatively straightforward procedure and should be commenced immediately.

8.7 The bridge situation is progressing towards a solution. An early favourable outcome is key to releasing funding from Onyx (£47,000) and the BOC Foundation (£10,000). The Operations Director at C6 is dealing with the issue of the letter and it will be forthcoming soon. It was noted that the site for the Castleford SGP is owned jointly by Cleanaway and CDP.

8.8 It was emphasised by JF that immediate funding is required. These could either be in grant form, for consultancy work or straight donations. BJS concurred and asked those present to nominate companies that could be approached with this in mind.

8.9 JOB suggested that it would be preferable if the companies were able to give a straight donation because staff are currently extremely busy and would find it difficult to find time to perform any extra work. Three priorities exist at present:

- The realisation of the first SGP
- Attracting companies for audit work
- Obtaining interim funding up to when the SGP receives the ERDF grant (next July probably)

Efforts should in particular focus on attracting companies for which audit work can be performed. Two programmes of audit work are currently being undertaken, these are in partnership with Business Link and with the Manufacturing Advisory Service and are aimed at SMEs in West Yorkshire and at manufacturing organisations of any size in Yorkshire and Humber respectively.

8.10 Those present were asked to approach companies and introduce UM. The companies and responsibilities are as follows.

Organisation	Person Responsible	Organisation	Person Responsible
BT	BJS	Wardell Armstrong	JF
Transco	BJS	Enviros	JF
Yorkshire Water	BJS	Npower	JP
British Gas	BJS	DSA	LJR
Astra Zeneca/ICI	BJS	Pyramid Pubs	LJR
AMEC	BJS	FirstKeolisTransPennine	PWR
Ove Arup	BJS	Virgin Trains	PWR
Altran	BJS	First North Western	PWR
Bellway Urban Renewal	DP	First Great Western	PWR

8.11 LJR suggested that each of the above companies should be approached with specific targets in mind; some should be approached for consultancy, some for donations and some for grants. LJR volunteered to draw up a list of targets for each organisation and to circulate it.

8.12 Some other possibilities for partnership working and possible fund raising are the universities, RDA's and WRAP. PWR said he would contact David Highan at the NW RDA as well as chasing the East Midlands RDA about the EBG situation. The contact at the University of Sheffield is Bob Boucher, at Leeds Metropolitan University it is Simon Lee and there is a new Vice Chancellor at the University of Leeds.

8.13 DP suggested finding out which companies have the street lighting contracts for local authority areas. Often street light bulbs are changed en bloc which raises disposal issues as well as environmental issues. DP offered to do some research into this.

8.14 In addition, those present were asked for introductions to SMEs that might wish to have an audit performed for them. JP said he would look through his client list for possibilities. It was suggested that if organisations such as Groundwork were enlisted to assist with attracting companies, they could be offered a finder's fee of £500. BJS noted down some SME's that could be approached. These are:

Broadbent's	McAlpine Stadium
Huddersfield Examiner	Holsett's
Hanson Logistics	C&J Antich
Easy Computers	Halco Engineering
Robinson's	Sellar's Engineering
George Hotel	Hopkinson's
Hanson Bricks	600 Group
Dobson's	Lean Construction.

8.15 LJR introduced the concept of 'Friends of Urban Mines' as a vehicle for attracting donations to the new UM charity. The idea requires some development, not least of which is a new name, but it could be used to raise funds. One suggestion for branding this vehicle is to link in with 'Resource Revolution', possibly calling it 'Friends of the Resource Revolution'.

8.16 One final suggestion made under this item was to hold a dinner in London at which Marshall's, CDP and UM give a presentation. All the major waste management players would be invited. It was agreed this was a good idea and that it should be arranged in association with the APSWG.

**ACTION:** JF to speak with PS about responses to enquiries regarding failed tenders.

JF to approach Onyx to see if the funding they have offered will still be available next April.

JP to get residential property developer to visit the Cobbett Centre and give his opinion on the building with a view to getting a residential valuation.

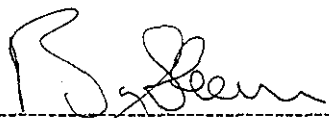
LJR to nominate targets for each company listed as a potential source of income.

DP to research street lighting issues and the opportunities this might present for UM.

BJS to commence arrangement of London dinner.

----- Meeting Close -----

This is a true copy of the Urban Mines Board meeting of 26 July 2004



Barry Sheerman MP  
Chairman

6/8/04

Date