

RESOLUTION ON CHANGE OF OBJECTIVES

17th July 2009

Company Number: 5848399

Company Name: Only Connect UK

At a General Meeting of the members of the above named company duly convened and held at:

5 Dawson Place, London

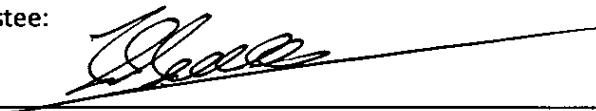
On the 12th June 09

The following resolution was duly passed to amend the Memorandum of Association:

That the objectives of the company be changed to:

To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development, and community activities.

Signed by one trustee:



Printed name:

James DEACON



Notes

5848399

I hereby certify that this is a true copy of
the Memorandum of Association of Only Connect UK
THE COMPANIES ACTS 1985 AND 1989
COMPANY LIMITED BY GUARANTEE

Ja Kyrp
29.3.06

Memorandum of Association of

Insert the name of the company

ONLY CONNECT UK

Insert the name of the company

Clause 1 - In general, the Commission can accept any name unless it infringes the principles set out in section 6 of the Charities Act 1993, which are explained in our publication CC21 and in our Operational Guidance (OG18 - "Names") available on our website. In very broad terms, the name should not be misleading.

1 The company's name is ONLY CONNECT UK

(and in this document it is called the Charity).

2 Option 1

The Charity's registered office is to be situated in England.

Option 2

The Charity's registered office is to be situated in Wales.

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Clause 3 - Insert the purpose for which the company has been formed. A charity's objects must be expressed in exclusively charitable terms and this can be quite difficult. Guidance is available in our publication CC22 ("Choosing and Preparing a Governing Document"). The key elements to include are:

- the purpose itself (eg establishing and running a school);
- the people who can benefit (in our example, school age children); and, if appropriate
- any geographic limits which may be needed to define the area of benefit. This will not always be necessary. If you do include an area of benefit, it is common to define it by reference to a local government area: this has the advantage of clarity and simplicity, but can create problems if the area is subsequently altered or abolished.

3 The Charity's objects (the Objects) are

~~"To advance the education of vulnerable individuals and families across the South East in the performing arts through the provision of creative arts workshops, drama and theatrical training and training in literacy and oral communication."~~

16th June 09

Amendment to objectives

To advance the education and prospects of prisoners, ex-offenders and young people at risk of crime in London, and their families, through the provision of arts projects and productions, personal development, and community activities.

June 2003

Notes

Clause 4 - It is useful to include these powers to avoid any misunderstanding of the nature of the key powers available to the charity and the conditions that have to be met when exercising the powers. Examples of powers that companies already have include a power to insure and a power to amend the memorandum and articles of association; note however that this power of amendment may in many circumstances only be exercised with our prior consent under s.64 of the Charities Act 1993 (see our Operational Guidance (OG47) "Alterations of governing documents: charitable companies" on our website).

Clause 4(1)(a) - This sub-clause provides a general power to raise funds through a wide variety of methods including inviting and receiving donations and legacies. The only restriction here is that it does not allow the charity to engage in substantial permanent trading for the purpose of raising funds. (Trading on a small scale is allowed. The Inland Revenue provides guidance on the tax treatment of different sorts of trading). If your charity is likely to raise funds from trading, our publication CC35 ("Charities and Trading") provides detailed advice. The terms of this power do not prevent trading in order to carry out the charity's object - for example, an educational charity can charge fees for the educational services it provides.

Clause 4(1)(b) - This power is helpful if the charity is to acquire property either for use as office premises or functionally (such as a playground or school site). Our publication CC33 ("Acquiring Land") contains further guidance on the issue.

Clause 4(1)(c) - This power enables the charity to dispose of its property. Sections 36 and 37 of the Charities Act 1993 apply to most charities and require compliance with certain conditions to ensure that charity property is disposed of for the best terms reasonably obtainable. Our publication CC28 ("Disposing of Charity Land") provides more information about this.

Clause 4(1)(d) - This provides the Company with an explicit power to borrow. It also makes clear that if this power involves securing the loan on land of the Charity, it must comply with the requirements of the Charities Act 1993. Briefly, the Act requires that the Directors take advice and provide certain certificates/statements when they are borrowing money by way of mortgage. Our Operational Guidance OG22 ("Borrowing and Mortgages") on our website provides detailed information on this.

Clause 4(1)(j) - This power cannot be used to employ Directors as staff. See Clause 5.

4(1) In addition to any other powers it may have, the Charity has the following powers in order to further the Objects (but not for any other purpose):

- (a) to raise funds. In doing so, the Charity must not undertake any substantial permanent trading activity and must comply with any relevant statutory regulations;
- (b) to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- (c) to sell, lease or otherwise dispose of all or any part of the property belonging to the Charity. In exercising this power, the Charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993;
- (d) to borrow money and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed. The Charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993 if it wishes to mortgage land;
- (e) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- (f) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- (g) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity formed for any of the Objects;
- (h) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- (i) to employ and remunerate such staff as are necessary for carrying out the work of the Charity. The Charity may employ or remunerate a Director only to the extent it is permitted to do so by clause 5 and provided it complies with the conditions in that clause;
- (k) to:
 - (i) deposit or invest funds;
 - (ii) employ a professional fund-manager; and
 - (iii) arrange for the investments or other property of the Charity to be held in the name of a nominee;

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;

- (l) to provide indemnity insurance for the Directors or any other officer of the Charity in relation to any such liability as is mentioned in sub-clause (2) of this clause, but subject to the restrictions specified in sub-clause (3) of the clause;
- (m) to pay out of the funds of the Charity the costs of forming and registering the Charity both as a company and as a charity;

Notes for Clause 4 continue on page 5

Notes

Clause 4(1)(k) - The Trustee Act 2000 provides wide powers of investment and requires the Charity to take advice and to consider the need to invest in a range of different investments. Our publication CC14 (Investment of Charitable Funds) provides more information about Charity investments. The powers to employ agents, nominees and custodians are of particular use where the Charity wishes to use an investment manager.

- (n) to do all such other lawful things as are necessary for the achievement of the Objects;
- (2) The liabilities referred to in sub-clause (1)(l) are:
 - (a) any liability that by virtue of any rule of law would otherwise attach to a director of a company in respect of any negligence, default breach of duty or breach of trust of which he or she may be guilty in relation to the Charity;
 - (b) the liability to make a contribution to the Charity's assets as specified in section 214 of the Insolvency Act 1986 (wrongful trading).
- (3) (a) The following liabilities are excluded from sub-clause (2)(a):
 - (i) fines;
 - (ii) costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, dishonesty or wilful or reckless misconduct of the Director or other officer;
 - (iii) liabilities to the Charity that result from conduct that the Director or other officer knew or must be assumed to have known was not in the best interests of the Charity or about which the person concerned did not care whether it was in the best interests of the Charity or not.
- (b) There is excluded from sub-clause 2(b) any liability to make such a contribution where the basis of the Director's liability is his or her knowledge prior to the insolvent liquidation of the Charity (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Charity would avoid going into insolvent liquidation.

Clause 5(1) - The income of a charity must be applied solely to further its objects and not to benefit the members. The Directors have a duty to ensure that the funds are correctly applied in accordance with this principle.

- 5(1) The income and property of the Charity shall be applied solely towards the promotion of the Objects.
- (2) (a) A Director is entitled to be reimbursed from the property of the Charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Charity.
- (b) Subject to the restrictions in sub-clauses 4(2) and 4(3), a Director may benefit from trustee indemnity insurance cover purchased at the Charity's expense.
- (3) None of the income or property of the Charity may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Charity. This does not prevent a member who is not also a Director receiving:
 - (a) a benefit from the Charity in the capacity of a beneficiary of the Charity;
 - (b) reasonable and proper remuneration for any goods or services supplied to the Charity.

Notes

Option 1

Clause 5(4) - A Charity Director may not derive any financial benefit from his or her office unless specifically authorised to do so by the Charity Commission or the express terms of the governing document of the Charity. This prohibition extends to people closely connected to the Director - see clause 5(7)(b).

Use Option 1 and delete Option 2 (sub-clauses 4-6) if the Charity will want to prohibit the Directors from receiving any payment from the Charity other than for the type of expenses permitted at sub-clause (5)(2). Any departure from this principle would require the authority of the Charity Commission - our publication CC11 ("Payment of Charity Trustees") advises on the considerations when seeking the Commission's authority in these circumstances.

Use Option 2 (sub-clauses 4-6) and delete Option 1 if it is thought that it will be in the interests of the charity to allow one or more of the Directors to enter into the sorts of transactions covered in 5(5) subject to compliance with the conditions at 5(6).

Clause 5(4)(a) - This does not prevent a Director from buying or leasing land from the charity: such transactions will however require the Commission's consent under s.36 of the Charities Act 1993.

Clause 5(4)(d) - Our publication CC11 ("Payment of Charity Trustees") explains the circumstances in which we will authorise a payment to a Director.

Clause 5(6) - Sub-clauses 5(5)(a) - (e) set out possible powers to permit a range of different benefits for Directors if Option 2 is used and it is going to be in the interests of the charity to include these.

Note that these powers must only be exercised where the Directors can comply with the conditions laid down in sub-clause 5(6) which are intended to avoid the conflict of interest that would otherwise arise when a Director benefits from the charity.

These powers cannot be adopted by existing charities without the authority of the Charity Commission. None of these options permits the Directors to receive payment for acting as Director.

Clause 5(5)(b) empowers the Charity (subject to the conditions in 5(6)) to pay for services (whether of a professional nature or not) provided by a Director or their firm.

(4) No Director may:

- (a) buy goods or services from the Charity;
- (b) sell goods, services or any interest in land to the Charity;
- (c) be employed by or receive any remuneration from the Charity;
- (d) receive any other financial benefit from the Charity;

unless the payment or transaction is previously and expressly authorised in writing by the Charity Commission.

~~Option 2~~

(4) No Director may:

- (a) buy any goods or services from the Charity;
- (b) sell goods, services, or any interest in land to the Charity;
- (c) be employed by, or receive any remuneration from the Charity;
- (d) receive any other financial benefit from the Charity;

unless:

- (i) the payment is permitted by sub-clause (5) of this clause and the Directors follow the procedure and observe the conditions set out in sub-clause (6) of this clause; or
- (ii) the Directors obtain the prior written approval of the Commission and fully comply with any procedures it prescribes.

(5) (a) A Director may receive a benefit from the Charity in the capacity of a beneficiary of the Charity.

- (b) A Director may be employed by the Charity or enter into a contract for the supply of goods or services to the Charity, other than for acting as a Director.

- (c) A Director may receive interest on money lent to the Charity at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Directors.

- (d) A company of which a Director is a member may receive fees remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Director holds no more than 1% of the issued capital of that company.

- (e) A Director may receive rent for premises let by the Director to the Charity if the amount of the rent and the other terms of the lease are reasonable and proper.

Notes

Clause 5(6) - These conditions are designed to ensure the proper management of any proposed or actual payment to a Director where Option 2 is chosen. Note that Article 39 of the Articles of Association imposes a wider duty on the Directors to absent themselves from any discussion where there may be a conflict between their personal interests and those of the charity. This would include, for example, discussions about the need for the provision of a particular service for which one of the Directors might have an interest in supplying.

- (6) (a) The Charity and its Directors may only rely upon the authority provided by sub-clause 5(5) if each of the following conditions is satisfied:
- (i) The remuneration or other sums paid to the Director do not exceed an amount that is reasonable in all the circumstances.
 - (ii) The Director is absent from the part of any meeting at which there is discussion of:
 - his or her employment or remuneration, or any matter concerning the contract; or
 - his or her performance in the employment, or his or her performance of the contract; or
 - any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under sub-clause 5(5); or
 - any other matter relating to a payment or the conferring of any benefit permitted by sub-clause 5(5).
 - (iii) The Director does not vote on any such matter and is not to be counted when calculating whether a quorum of Directors is present at the meeting.
 - (iv) The other Directors are satisfied that it is in the interests of the Charity to employ or to contract with that Director rather than with someone who is not a Director. In reaching that decision the Directors must balance the advantage of employing a Director against that disadvantages of doing so (especially the loss of the Director's services as a result of dealing with the Director's conflict of interest).
 - (v) The reason for their decision is recorded by the Directors in the minute book.
 - (vi) A majority of the Directors then in office have received no such payments.
- (b) The employment or remuneration of a Director includes the engagement or remuneration of any firm or company in which the Director is:
- (i) a partner;
 - (ii) an employee;
 - (iii) a consultant;
 - (iv) a director; or
 - (v) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Director holds less than 1% of the issued capital.

Notes

Clause 5(7) - If Option 1 is chosen, re-number this as clause 5(5) and replace "-(6)" with "-(4)" after "(2)" in the first line.

5(5) - (4)

(7) In sub-clauses (2)-(6) of this clause 5:

(a) "Charity" shall include any company in which the Charity:

- holds more than 50% of the shares; or
- controls more than 50% of the voting rights attached to the shares; or
- has the right to appoint one or more directors to the Board of the company

(b) "Director" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Director or any person living with the Director as his or her partner.

6 The liability of the members is limited.

7 Every member promises, if the Charity is dissolved while he or she is a member or within twelve months after he or she ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Charity incurred before he or she ceases to be a member, and of the costs charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

Clause 8 - The Charity has power under the Companies Acts to wind up. The Directors must comply with company law in using that power and provide Companies House with the required documentation. In these circumstances, Directors will need to send to us promptly a certified copy of the relevant resolution and a copy of the final accounts.

8(1) The members of the Charity may at any time before, and in expectation of, its dissolution resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Charity be applied or transferred in any of the following ways:

(a) directly for the Objects; or

(b) by transfer to any charity or charities for purposes similar to the Objects; or

(c) to any charity for use for particular purposes that fall within the Objects;

(2) Subject to any such resolution of the members of the Charity, the Directors of the Charity may at any time before and in expectation of its dissolution resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision made for them, shall on dissolution of the Charity be applied or transferred:

(a) directly for the Objects; or

(b) by transfer to any charity or charities for purposes similar to the Objects; or

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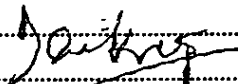
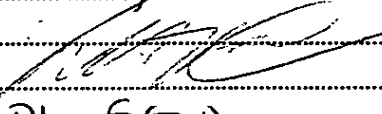
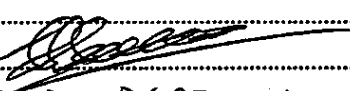
(c) to any charity or charities for use for particular purposes that fall within the Objects.

- (3) In no circumstances shall the net assets of the charity be paid to or distributed among the members of the Charity (except to a member that is itself a charity) and if no such resolution is passed by the members or the Directors *the net assets of the Charity shall be applied for charitable purposes as directed by the court or the Commission.*

We, the persons whose names and addresses are written below, wish to be formed into a company under this Memorandum of Association.

[The persons whose signatures, names, and addresses are written at the end of the Memorandum will be the first members of the Company.]

Signatures, Names and Addresses of Subscribers

- (1) 
DANNY KRUTLER
5 DAWSON PLACE
LONDON, W2 4TD
- (2) 
RUTH FIELD
6 PRINCES GATE
SUNNINGHILL
BERKS, SL5 7Y7
- (3) 
JAMES DIZON
39 PARK CLOSE, ILCHESFORD PLACE
LONDON, W14 8NH

Dated: 20th April 2006

A witness must be someone who is not related to any of the signatories but who is acquainted with them. The witness must be over 18.

Witness to the above Signatures:

Name: GRAVID HAMILTON

Address: QUINCELY HOUSE, HITCHAM, SUFFOLK
IP17 1NE.

Occupation: CONSULTANT