

The Companies Acts 1985 & 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

**THE NORTH EAST SOCIAL ENTERPRISE
PARTNERSHIP LIMITED**



1. The Company's name is The North East Social Enterprise Partnership Limited (and in this document it is called "the Company")
2. The Company's registered office is to be situated in England and Wales.
3. The objects for which the Company is established are:
 - A. To advance the education of the public and organisations in the North East of England with particular reference to social enterprises and the benefits they provide to society and for their workers; to provide training and guidance on establishing and maintaining such enterprises; to carry out research and development in the field of social enterprise; to publish the results of research and other information; to promote and facilitate the establishment of a representative network or of a number of networks of social enterprises and organisations supporting social enterprise in the North East of England; and to work in collaboration with other appropriate organisations locally, regionally, nationally and internationally to promote the objectives of the Company.
 - B. To promote for the public benefit urban or rural regeneration in areas of social and economic deprivation by all or any of the following means:
 - a. the relief of poverty and of unemployment, especially among people who are socially excluded as a result of being disabled or disadvantaged;
 - b. the advancement of education, training or retraining, particularly among unemployed disabled and disadvantaged people, and providing unemployed people with work experience;
 - c. the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed disabled and disadvantaged people in cases of financial or other charitable need through help in setting up their own business, or to existing businesses;
 - d. the creation of training and employment opportunities by the provision of workspace and the preservation of buildings or sites of historic or architectural importance;
 - e. the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
 - f. the protection or conservation of the environment and the advancement of the education of the public with particular reference to the protection of the environment.
 - C. To further any other charitable purpose or purposes.
 - D. To carry on the trade, industry or business of an association engaged in the marketing of its members' products or services, supplying to its members goods and materials as may be required by them in the course of their work, and rendering to members of the Company any other services required in connection with their work.

In carrying out the aforesaid objects the Company shall have regard to the physical, mental and spiritual well-being of the community.

4. In furtherance of the above objects, but not otherwise, the Company shall have the following powers:
 - a. To carry on any other trade or business whatsoever which can in the opinion of the Company be advantageously carried on by the Company incidental to or conducive to or ancillary to any of the objects of the Company or is calculated directly to benefit the Company or enhance the value of or render profitable any of the Company's property or rights or is required by any client or customer or persons (legal or natural) dealing with the Company.

- b. To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patent rights, licences, secret processes, property of any kind necessary or convenient for the purpose of or in connection with the Company's objects or any branch or department thereof.
- c. To erect, construct, lay down, enlarge, alter and maintain any shops, stores, factories, buildings, works, ways, plant and machinery necessary or convenient for the Company's objects and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- d. To borrow or raise or secure the payment of any money for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any Building Society subject to the provisions of clause 5 hereof.
- e. To mortgage and charge the undertaking and all or any of the real or personal property and assets, present and future, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers and privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance subject to the provisions of clause 5 hereof
- f. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities and also by way of security for the performance of any contracts or obligations of the Company or in whose undertakings the Company is interested, whether directly or indirectly.
- g. To receive money on deposit or loan upon such terms as the Company may approve and to guarantee the obligations and contracts of clients and customers including members of the Company, subject to the provisions of clause 5 hereof
- h. To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange, cheques and other negotiable instruments.
- i. To invest and deal with the monies of the Company not immediately required for the purposes of its objects in or upon such investments or securities and in such manner as may from time to time be determined by the Company.
- j. To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company either in cash, by instalments or otherwise, or in fully or partly paid up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment or capital, voting or otherwise, or in mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- k. To enter into any partnership or joint-purse arrangement for sharing profits, union of interests or co-operation, or amalgamate with any company, firm or person carrying on or proposing to carry on any objects within the objects of the Company, and to acquire and hold, sell, deal with or dispose of shares, stock, securities or property of any such body, and to guarantee the contracts or liabilities of or payments of the dividends, interest or capital of any shares, stock, securities or property of and to subsidise or otherwise assist any such body subject to the provisions of clause 5 hereof
- l. To establish or promote or concur in establishing or promoting any company, firm, co-operative or other organisation the promotion of which shall in any manner be calculated to advance directly or indirectly the objects or interests of the Company and to acquire and hold or dispose of shares, stock, securities or property issued by or any other obligations of such organisation.

- m. To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on.
 - n. To make, publish, supply, sell or deal in books, periodicals, audio film and video recordings, and other publications in any medium or any other educational or training materials.
 - o. To obtain, acquire and purchase all necessary permits, licences or trade marks and other intellectual property rights required for the purpose of enabling the Company to carry on its objects upon such terms and conditions as it may think fit.
 - p. To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant easements, licences and other rights in or over, and in any other manner deal with or dispose of the undertaking and any or all of the property and assets for the time being of the Company for such consideration as the Company may think fit, subject to the provisions of clause 10 hereof.
5. The rate of interest on money borrowed, except by way of loan, overdraft or mortgage from a Bank, Building Society, Local Authority or Finance House, shall not exceed a rate necessary to obtain and retain the capital required to carry out the objects of the Company. The Company may receive interest-free loans and donations towards its objects.
6. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company PROVIDED THAT nothing herein shall prevent any payment in good faith by the Company:
- a. of reasonable and proper remuneration to any member, officer or servant of the Company for any services actually rendered to the Company;
 - b. of interest on money lent by any member of the Company subject to the provisions of clause 5 hereof;
 - c. of reasonable and proper rent for premises demised or let by any member of the Company;
 - d. of out-of-pocket expenses to any member of the Company.
7. Each member will only be entitled to cast one vote when any resolution is put or any ballot conducted, irrespective of any monies, assets or guarantees that s/he or it has loaned or contributed in any way to the Company.
8. The liability of the members is limited.
9. Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while s/he or it is a member or within one year after s/he or it ceases to be a member for payment of the debts and liabilities of the Company contracted before s/he or it ceased to be a member, and of the costs, charges or expenses of winding up and for the adjustments of the rights of the contributories amongst themselves, such amount as may be required not exceeding one pound.
10. On the dissolution or winding-up of the Company, after the satisfaction of all its debts and liabilities, the assets remaining shall not be paid to or distributed among the members, but shall be given or transferred to some other organisation or organisations having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of this clause or clause 6 hereof, such organisation or organisations to be determined by the members of the Company at or before the time of dissolution, and in so far as effect cannot be given to such provision any assets remaining shall be held for charitable purposes.

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COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

**THE NORTH EAST SOCIAL ENTERPRISE
PARTNERSHIP LIMITED**



Interpretation

In these Articles:

"The Act" means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force and any provisions of the Companies Act 2006 for the time being in force.

"The Company" means this Company.

"In writing" shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form, including electronic transmission where appropriate.

Words importing the singular number shall include the plural and vice versa unless a contrary intention appears.

Words importing persons shall include bodies corporate and associations if not inconsistent with the context.

Unless the context requires otherwise, words or expressions contained in these Articles shall bear the same meaning as in the Act.

Any statutory instruments or regulations from time to time shall be deemed to apply to this Company, whether or not these Articles have been amended to comply with such instrument or regulation.

Members

2. There shall be **two** classes of membership

- a) Social Enterprise Members which shall include those who trade as a social enterprise and are not under the control of another corporate body or statutory agency
- b) Associate Members which shall include individuals, public bodies, statutory agencies and others not eligible under 2(a) above

3. The Company may admit to membership any person, society, company or other corporate body who can demonstrate a commitment to the Company's aims and who has agreed to abide by any other provisions as to qualification for membership as shall be made from time to time by the Company which do not discriminate between persons by reference to politics, race, religion or sex.

4. Every application for admission to membership shall be made in writing to the Board of Directors and shall be considered by them at its first meeting after the application was made or as soon thereafter as is practicable. If the application for membership is approved, then the member's name shall be entered in the Register of Members.

5. A body corporate which is a member may by resolution of its governing body appoint a deputy who shall during the continuance of her/his appointment be entitled to exercise all such rights and powers as the body corporate would exercise if it were an individual person. The appointment of such a deputy shall be notified in writing to the **Company** and must be approved by the Board of Directors before s/he can exercise the rights and powers of the body corporate.

6. A member or appointed deputy shall notify the **Company** in writing within seven days of a change to her/his name or address.

Cessation of Membership

7. The rights and privileges of a member shall not be transferable nor transmissible, and all such rights and privileges shall cease upon the member ceasing to be such.
8. A member shall cease to be a member immediately that s/he:
- a. ceases in the opinion of the Board of Directors to meet the qualifications for membership in accordance with Article 3; or
 - b. fails in the opinion of the Board of Directors to pay any fee or other monies due to the Company; or
 - c. resigns in writing to the **Company**; or
 - d. is expelled by a Special Resolution carried in accordance with Article 13(a) at a Special General Meeting called to consider the matter; or
 - e. dies or becomes bankrupt, if an individual person; or
 - f. ceases to be a body corporate or goes into liquidation, if a corporate body.
9. The Board of Directors may determine that a member is no longer eligible for membership under Article 2(a) in which case they may offer her/him membership as an Associate Member in accordance with Article 2 (**b**). Any change or disqualification of membership shall be notified in writing by the **Directors** within seven days stating the reason for the decision.

General Meetings

10. The Company shall in each calendar year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it, provided that every Annual General Meeting except the first shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting. The first Annual General Meeting shall be held within eighteen months of incorporation.

11. The business of an Annual General Meeting shall comprise:

- a. the appointment of Directors;
- b. the consideration of the Report and Accounts presented by the Board of Directors;
- c. the appointment and the fixing of the remuneration of the Auditor or Auditors;
- d. the fixing of annual subscriptions and other fees, if any.

All other business transacted at an Annual General Meeting shall be deemed Special.

12. The Board of Directors may, whenever they think fit, convene a Special General Meeting of the Company, or any two members or ten percent of the membership, whichever is greater, may convene a Special General Meeting as provided by Section 368 of the Act.

13. Decisions at General Meetings shall be made by passing resolutions:

- a. Decisions involving an alteration to Clauses of the Memorandum of Association and Articles of these Articles of Association of the Company, and other decisions so required from time to time by statute shall be made by a Special Resolution. A Special Resolution is here defined as one passed by a majority of not less than three-fourths of votes cast by members of the Company
- b. All other decisions shall be made by ordinary resolution requiring a simple majority.

Notices

14. All General Meetings shall be called by at least fourteen clear days' notice.
15. Notice of every General Meeting shall be given in writing to every member of the Company, the Auditors of the Company, and such other persons who are entitled to receive notice and shall be given:
- a. in person;
 - b. by sending it by post addressed to that person at that person's registered address, or by leaving it at that address;
 - c. by fax or by electronic communication to an address provided for that purpose; or
 - d. by posting it on a website, where the recipient has been notified of such posting in a manner agreed by that person.
16. Notice of all meetings shall be given exclusive of the day on which it is effected and shall specify the exact time and place of the meeting. In the case of a Special General Meeting the exact nature of the business to be raised thereat shall be specified. Notice of all meetings must advise members (including the deputies of member organisations) of their statutory power to appoint a proxy to attend the meeting on their behalf.
17. Where notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting the notice and to have been effected at the expiration of forty-eight hours after the notice has been posted. In the case of a notice contained in an electronic communication or fax, notice shall be deemed to have been served 48 hours after the time it was transmitted.
18. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.

Proceedings at General Meetings

19. Votes may only be given personally or by proxy and no member shall have more than one vote.
20. Every member and such other persons as are entitled to receive notice subject to Article 15 above shall be entitled to attend and speak at a general Meeting. A member (which includes the deputy of a member organisation) who cannot attend a General Meeting may appoint any other person to act as proxy for him or her, and shall provide written authorisation for the appointed person so to act, stating whether the proxy is:
 - a. to vote this way or that on any particular resolution; or
 - b. permitted to vote in accordance with his or her own judgement.
21. No business shall be transacted at a General Meeting unless a quorum of members is present in person or by proxy. Ten percent of the membership or 20 members, whichever is the lower, shall be a quorum, provided that there shall be at least 5 members present who are not Associate Members.
22. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned until the same day in the next week at the same time and same place or otherwise as the Company may decide in General Meeting, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then the members present shall be a quorum.
23. The Chairperson, if any, of the Board of Directors, shall chair every General Meeting of the Company, or if there is no such Chairperson, or if s/he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall choose one of their number to be Chairperson of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
24. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
25. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present in person.
26. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that each member shall have only one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot has been demanded.
27. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded.
28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote, and the resolution shall be deemed to be lost.
29. The Company may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

Members' written resolutions

30. Any decision that may be made at a General Meeting of the Company may be made by written resolution, other than a decision to remove a Director or Auditor before the expiry of their term of office. A proposed written resolution shall be circulated to members and to the Auditors in the same manner as notices for general meetings.
31. The majorities required to pass a written resolution are as follow:
- a. for an ordinary resolution, approval is required from a simple majority of the members eligible to vote;
 - b. for a special resolution, approval is required from not less than 75% of the members eligible to vote.
32. The document indicating a member's approval of a written resolution may be sent to the company in hard copy form or in electronic form. A member's agreement to a written resolution, once signified, may not be revoked.
33. A written resolution lapses if the necessary number of approvals has not been received 28 days after the first day on which copies of the resolution were circulated to members.
34. A written resolution is passed as soon as the required majority of eligible members have signified their agreement to it.

The Board of Directors

35. Unless otherwise determined by the Company by Special Resolution, the number of Directors shall be not less than four and not more than twelve. The Directors shall be appointed as follows:

- a) Six Directors shall be nominated and elected by Social Enterprise Members as defined in Article 2(a)
- b) Two Directors shall be nominated and elected by Associate Members as defined in Article 2(b)
- c) Up to four Directors may be co-opted by the Board of Directors at their discretion

Class elections in accordance with (a) and (b) above shall be conducted in such manner as the Board of Directors shall determine, notified in writing no later than the date upon which the notice of the Annual General Meeting is issued. Failing such provisions the elections shall be conducted amongst the members from each class present at the Annual General Meeting.

36. A casual vacancy of an elected Director's position shall be filled by a class election conducted in such manner as the Board of Directors shall determine. The person so elected shall serve for the same remaining term as the person s/he replaces. In the event that no candidate is so elected the Directors may co-opt to fill the vacancy until the next Annual General Meeting.

37. At every Annual General Meeting, all co-opted Directors and one-third of the elected Directors shall retire from office. In the event that the number of elected Directors is not divisible by three, then the proportion to retire shall be that nearest to one-third. The Directors to retire shall be those longest in office since their last appointment. Where there are Directors who have been in office for the same length of time then, in the absence of agreement, those to retire shall be selected by lot.

38. A Director shall not vote in respect of any contract in which s/he is directly or indirectly interested or any matter arising there from and if s/he does so vote, her/his vote shall not be counted except that nothing in this Article shall prevent a Director voting in respect of contracts for the delivery of the services set out in Clause 3D of the Memorandum of Association.

39. Any Director may act in a professional capacity for the Company, and s/he or his/her firm shall be entitled to remuneration for professional services as if s/he were not a Director; provided that nothing contained herein shall authorise a Director or his/her firm to act as Auditor to the Company.

40. The office of Director shall be immediately vacated if s/he:

- a. resigns her/his office in writing to the Company; or
- b. ceases to be a member in accordance with Article 8; or
- c. fails to declare her/his interest in any contract as referred to in Article 38 ; or
- d. is absent from three meetings of the Board of Directors during a continuous period of six months without special leave of absence from the Board of Directors and they pass a resolution that s/he has by reason of such absence vacated office; or
- e. becomes bankrupt or of unsound mind; or
- f. is removed from office by resolution of the Company in General Meeting in accordance with Section 303 of the Act; or
- g. ceases to hold office by reason of any order made under Sections 295 to 300 of the Act.

Powers and Duties of the Board of Directors

41. The business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company as may be exercised and done by the Company in General Meeting.
42. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board of Directors which would have been valid had that regulation not been made.
43. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company shall be signed, drawn and accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board of Directors shall from time to time by resolution determine.
44. The Board of Directors on behalf of the Company may with the approval of a General Meeting pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with the Company or to his/her widow(er) or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Proceedings of the Board of Directors

45. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit. Questions arising at any meetings shall be decided by a majority of votes. In the case of an equality of votes, the Board of Directors shall refer the matter to a General Meeting of the Company.
46. A Director may summon a meeting of the Board of Directors. It shall not be necessary to give notice of a meeting of the Board of Directors to any of its members for the time being absent from the United Kingdom.
47. The quorum necessary for the transaction of the business of the Board of Directors shall be one third of the Directors or two Directors, whichever is the greater.
48. The Board of Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is less than the minimum prescribed in these Articles, the Board of Directors may act for increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.
49. The Board of Directors may elect a Chairperson of their meetings and determine the period for which s/he is to hold office; but if no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes of the time appointed for the holding of the meeting, the Directors present may choose one of their number to be Chairperson of the meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
50. The Board of Directors shall cause accurate records to be made, in books provided for that purpose, of:
- a. the names and addresses of all members;
 - b. the amount of loan stock and other property held in the Company by members;
 - c. the name and date of appointment of all persons appointed to office;
 - d. the names of the directors, officers, members and other persons present at all General, Board of Directors and Committee meetings of the Company;
 - e. minutes of all proceedings and resolutions at all General, Board of Directors and Committee meetings of the Company, and of any written resolutions passed.
- All such records and minutes shall be open to inspection during normal working hours by a member of the Company and by any person authorised by the Company in General Meeting. Minutes of meetings and written resolutions shall be kept for a minimum of 10 years.
51. The Board of Directors may delegate any of their powers to Committees consisting of such members of their body and/or the Company as they think fit; any Committee so formed shall in the exercise of the powers so delegated conform to any regulations imposed on it by the Board of Directors.
52. All acts done by any meeting of the Board of Directors or any Committee or by any person acting as a Director shall, notwithstanding that it was afterwards discovered that there was some defect in the appointment of any such Director or Committee member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
53. A resolution in writing, signed by all the Directors who for the time being are entitled to vote, shall be valid and effective as if it had been passed at a meeting of the Board of Directors duly convened and held, and may consist of several documents in like form signed by one or more Directors.

54. The Board of Directors may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

The Seal

55.If the Company has a Seal, it shall only be used by the authority of the Board of Directors and every instrument to which the Seal shall be applied shall be signed by two Directors, or by one Director in the presence of a witness who attests the signature. Every such application of the Seal shall be minuted.

Accounts

56. The Board of Directors shall cause proper books of accounts to be kept in accordance with the laws for the time being in force with respect to:

- a. all sums of money received and expended by the Company and the matters in which the receipt and expenditure takes place;
- b. all sales and purchases of goods by the Company;
- c. the assets and liabilities of the Company.

Proper books shall be deemed to be kept if they give a true and fair record of the state of the Company's affairs and explain its transactions.

57. The books of account shall be kept at the Registered Office of the Company or, subject to Section 222 of the Act, at such other place or places as the Board of Directors think fit, and shall always be open to the inspection of all members and officers and by other persons authorised by the Company in General Meeting.

58. The Company must send a copy of its annual accounts and reports for each financial year to:

- a. every member of the Company,
- b. every holder of the Company's debentures, and
- c. every person who is entitled to receive notice of general meetings.

59. Copies need not be sent to a person for whom the Company does not have a current address, nor to anyone who is not entitled to receive notices of general meetings of the Company.

60. The time allowed for sending out copies of the Company's annual accounts and reports is as follows:

- a. the end of the period for filing accounts and reports, or
- b. if earlier, the date on which it actually delivers its accounts and reports to the Registrar of Companies.

61. In addition, the Board of Directors shall prepare and present to the members such regular financial reports, results and cashflow predictions showing insofar as is possible the current financial position of the Company as the members shall require to be laid before them.

Audit

62. Unless the company is eligible for and has determined to apply the small company audit exemptions, once at least in every year the accounts of the Company shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.
63. Auditors shall be appointed and their duties regulated in accordance with sections 237 and 384 of the Act.

Social Audit

64. A social audit of the Company's activities may, by resolution of the Company in General Meeting, be undertaken annually in addition to the financial audit required by law. The role of such a social audit would be to attempt to identify the social costs and benefits of the Company's work, and to enable an assessment to be made of the Company's overall performance in relation to its objects more easily than may be made from financial accounts alone.
65. Such a social audit may be drawn up by an independent assessor appointed by the Company in General Meeting, or by the Board of Directors who may submit their report for verification or comments to an independent assessor. A social audit may include an assessment of the internal management of the Company, democracy and decision-making, education and training opportunities, or other matters concerning the overall well-being of its members and workers; and an assessment of the Company's activities externally, including its effects on people engaged in similar activities, on users of the services and facilities provided, and on persons residing in areas where the Company is located.

Indemnity

66. Every member or auditor or officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities incurred by her/him in or about the execution and discharge of the duties of her/his office, except to the extent that such losses or liabilities shall be attributed to either:

- a. fraud or other matters in respect of which such person concerned shall be convicted of a criminal offence; or
- b. negligence; or
- c. actions knowingly beyond the scope of a specific authority or limit thereon on the part of such person.

Winding Up

67. Clause 10 of the Memorandum of Association relating to the dissolution or winding up of the Company shall have effect as if the provisions thereof were repeated in these Articles.

September 2008