



Ms. Gifty Edila,
Corporate Director of Law, HR and Regulatory Services,
London Borough of Hackney,
4th Floor, 2 Hillman Street,
London,
E8 1FB

Tuesday 19 November 2013

Dear Gifty

Re: Amendment to the Learning Trust's Articles of Association

You will be aware that Grant Thornton UK LLP, the appointed liquidators of The Learning Trust (the "Company"), are now in a position to prepare the necessary liquidation documents for The Learning Trust to be wound up as a private company.

The Board of Directors of the Company have agreed that any surplus monies, upon the Company's dissolution should be transferred to the Council, as the Council is now discharging the statutory educational functions of the London Borough of Hackney. The latest accounts of the Company, which have been prepared for its formal liquidation, show that there is an amount of surplus monies to be distributed in the region of £1,300,000 (one million three hundred thousand pounds). This amount is subject to any remaining corporation tax liability.

Currently the Company's constitution prevents such a distribution of monies to the Council, because the Council is the sole Member of the Company. The Company's Board has therefore agreed in principle to the amendment of the Company's Articles of Association so that the Council is no longer a Member of the Company; the three Directors of the Board (Tim Shields, Ian Williams and Alan Wood) will become the Members of the Company. This requires the deletion of Articles 2 which currently states;

"The sole Member shall be Hackney Borough Council"

The Board's proposal is that Article 2 should be replaced with the following wording;

"All Directors are automatically admitted as Members, and no person who is not a Director may be a Member. Upon a person ceasing to be a Director, that person shall automatically cease to be a Member. On the date these Articles come into force, any person who is a Director (but not a Member) shall be automatically admitted as a Member and any person who is a Member (but not a Director) shall be automatically removed as a Member."

In order to make such a change to the Company's constitution, the Board recognises that it must obtain the prior written consent of the Secretary of State for Education. Clause 9 of the Company's Memorandum of Association requires any amendment to the Company's Articles of Association to be undertaken in consultation with the Council. The purpose of this letter is to seek this formal consultation with you on behalf of the Council.

Once the Council has been formally consulted and has agreed to the amendment to the Articles then Tim Shields, as Chair of The Learning Trust Board will write to the Secretary of State for Education to obtain his written approval to the proposed amendment. With the Secretary of State's approval the Board will then be in a position to formally adopt the new Articles of Association which will allow the surplus funds to be transferred to the Council for the purposes of discharging its educational functions. The liquidation of The Learning Trust can then be carried out.

If you have any queries please don't hesitate to contact me.

Yours Sincerely



Neil Weeks
Secretary to the Board of Directors of The Learning Trust