

SCHEDULE 1

Regulation 7

PROVISIONS PRESCRIBED FOR THE MEMORANDUM
OR ARTICLES OF A COMMUNITY INTEREST COMPANY
LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL

- 1.—(1) The company shall not transfer any of its assets other than for full consideration.
- (2) Provided the conditions in sub-paragraph (3) are satisfied, sub-paragraph (1) shall not apply to—
- (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and
 - (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an asset-locked body.
- (3) The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the memorandum or articles of the company.
- (4) In this paragraph—
- (a) “asset-locked body” means—
 - (i) a community interest company, charity or Scottish charity; or
 - (ii) a body established outside the United Kingdom that is equivalent to any of those persons;
 - (b) “community” is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004;
 - (c) “charity” (except in the phrase “Scottish charity”) has the meaning given by section 96(1) of the Charities Act 1993⁽¹⁾;
 - (d) “the Regulator” means the Regulator of Community Interest Companies;
 - (e) “Scottish charity” has the meaning given by section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990⁽²⁾;
 - (f) “specified” means specified in the memorandum or articles of association of the company for the purposes of this paragraph; and
 - (g) “transfer” includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property.
- 2.—(1) The subscribers to the memorandum are the first members of the company.
- (2) Such other persons as are admitted to membership in accordance with the articles shall be members of the company.
- (3) No person shall be admitted a member of the company unless he is approved by the directors.
- (4) Every person who wishes to become a member shall deliver to the company an application for membership in such form (and containing such information) as the directors require and executed by him.
- (5) Membership is not transferable to anyone else.
- (6) Membership is terminated if:
- (a) the member dies or ceases to exist; or

(1) 1993 c. 10.
(2) 1990 c. 40.

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(b) otherwise in accordance with the articles.

3.—(1) A person who is not a member of the company shall not have any right to vote at a general meeting of the company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company's debentures.

(2) No powers to appoint directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in the majority of the directors of the company having been appointed by persons who are not members of the company.

(3) No powers to remove directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in either—

(a) the majority of the remaining directors of the company having been appointed by persons who are not members of the company; or

(b) the number of directors removed during the current financial year of the company by persons who are not members of the company exceeding the number of the remaining directors of the company.

(4) However, sub-paragraphs (2) and (3) shall not prevent a director from appointing, or subsequently removing, an alternate director, if permitted to do so by the articles.

(5) In this paragraph, "financial year" has the meaning given in section 223 of the Companies Act 1985(3).

4.—(1) Questions arising at a meeting of directors shall be decided by a majority of votes; in case of an equality of votes, the chairman shall have a second or casting vote.

(2) A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.

(3) Except as provided by sub-paragraphs (1) and (2) in all proceedings of directors each director must not have more than one vote.

SCHEDULE 2

Regulation 8(a)

PROVISIONS PRESCRIBED FOR THE MEMORANDUM OR ARTICLES OF A COMMUNITY INTEREST COMPANY LIMITED BY SHARES, OR LIMITED BY GUARANTEE WITH A SHARE CAPITAL

1.—(1) The company shall not transfer any of its assets other than for full consideration.

(2) Provided the conditions in sub-paragraph (3) are satisfied, sub-paragraph (1) shall not apply to—

(a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and

(b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an asset-locked body.

(3) The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the memorandum or articles of the company.

(4) In this paragraph—

(3) Section 223 of the 1985 Act was inserted by section 3 of the Companies Act 1989.

- (a) “asset-locked body” means—
 - (i) a community interest company, charity or Scottish charity; or
 - (ii) a body established outside Great Britain that is equivalent to any of those persons;
- (b) “community” is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004;
- (c) “charity” (except in the phrase “Scottish charity”) has the meaning given by section 96 of the Charities Act 1993;
- (d) “the Regulator” means the Regulator of Community Interest Companies;
- (e) “Scottish charity” has the meaning given by section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;
- (f) “specified” means specified in the memorandum or articles of association of the company for the purposes of this paragraph; and
- (g) “transfer” includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property.

2.—(1) The directors may refuse to register the transfer of a share to a person of whom they do not approve.

(2) They may also refuse to register the transfer unless it is lodged at the registered office of the company or at such other place as the directors may appoint and is accompanied by such evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and by such other information as they may reasonably require.

(3) If the directors refuse to register such a transfer, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.

(4) The provisions of this paragraph apply in addition to any restrictions on the transfer of a share which may be set out elsewhere in the memorandum or articles of the company.

3.—(1) A person who is not a member of the company shall not have any right to vote at a general meeting of the company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company’s debentures.

(2) No powers to appoint directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in the majority of the directors of the company having been appointed by persons who are not members of the company.

(3) No powers to remove directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in either—

- (a) the majority of the remaining directors of the company having been appointed by persons who are not members of the company; or
- (b) the number of directors removed during the current financial year of the company by persons who are not members of the company exceeding the number of the remaining directors of the company.

(4) However, sub-paragraphs (2) and (3) shall not prevent a director from appointing, or subsequently removing, an alternate director, if permitted to do so by the articles.

(5) In this paragraph, “financial year” has the meaning given in section 223 of the Companies Act 1985.

4.—(1) Questions arising at a meeting of directors shall be decided by a majority of votes; in case of an equality of votes, the chairman shall have a second or casting vote.

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(2) A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.

(3) Except as provided by sub-paragraphs (1) and (2) in all proceedings of directors each director must not have more than one vote.

SCHEDULE 3

Regulation 8(b)

ALTERNATIVE PROVISIONS PRESCRIBED FOR THE MEMORANDUM OR ARTICLES OF A COMMUNITY INTEREST COMPANY LIMITED BY SHARES, OR LIMITED BY GUARANTEE WITH A SHARE CAPITAL

1.—(1) The company shall not transfer any of its assets other than for full consideration.

(2) Provided the conditions in sub-paragraph (3) are satisfied, sub-paragraph (1) shall not apply to—

- (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body;
- (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an asset-locked body;
- (c) the payment of dividends in respect of shares in the company;
- (d) the distribution of assets on a winding up;
- (e) payments on the redemption or purchase of the company's own shares;
- (f) payments on the reduction of share capital; and
- (g) the extinguishing or reduction of the liability of members in respect of share capital not paid up on the reduction of share capital.

(3) The conditions are that the transfer of assets—

- (a) must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the memorandum or articles of the company; and
- (b) must not exceed any limits imposed by, or by virtue of, Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004.

(4) In this paragraph—

- (a) “asset-locked body” means—
 - (i) a community interest company, charity or Scottish charity; or
 - (ii) a body established outside Great Britain that is equivalent to any of those persons;
- (b) “community” is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004;
- (c) “charity” (except in the phrase “Scottish charity”) has the meaning given by section 96 of the Charities Act 1993;
- (d) “the Regulator” means the Regulator of Community Interest Companies;
- (e) “Scottish charity” has the meaning given by section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;
- (f) “specified” means specified in the memorandum or articles of association of the company for the purposes of this paragraph; and

- (g) “transfer” includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property.

2.—(1) The directors may refuse to register the transfer of a share to a person of whom they do not approve.

(2) They may also refuse to register the transfer unless it is lodged at the registered office of the company or at such other place as the directors may appoint and is accompanied by such evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and by such other information as they may reasonably require.

(3) If the directors refuse to register such a transfer, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.

(4) The provisions of this paragraph apply in addition to any restrictions on the transfer of a share which may be set out elsewhere in the memorandum or articles of the company.

3.—(1) A person who is not a member of the company shall not have any right to vote at a general meeting of the company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company’s debentures.

(2) No powers to appoint directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in the majority of the directors of the company having been appointed by persons who are not members of the company.

(3) No powers to remove directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in either—

- (a) the majority of the remaining directors of the company having been appointed by persons who are not members of the company; or
- (b) the number of directors removed during the current financial year of the company by persons who are not members of the company exceeding the number of the remaining directors of the company.

(4) However, sub-paragraphs (2) and (3) shall not prevent a director from appointing, or subsequently removing, an alternate director, if permitted to do so by the articles.

(5) In this paragraph “financial year” has the meaning given in section 223 of the Companies Act 1985.

4.—(1) Questions arising at a meeting of directors shall be decided by a majority of votes; in case of an equality of votes, the chairman shall have a second or casting vote.

(2) A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.

(3) Except as provided by sub-paragraphs (1) and (2) in all proceedings of directors each director must not have more than one vote.

SCHEDULE 4

Regulation 22(7)

CALCULATION OF THE AVERAGE DEBT OR SUM OUTSTANDING UNDER A DEBENTURE DURING A 12 MONTH PERIOD

1.—(1) The average amount of a debt or sum outstanding under a debenture during any 12 month period is the amount which satisfies the calculation set out in sub-paragraph (2).

(2) The calculation referred to in sub-paragraph (1) is A divided by B where:

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A is the aggregate of the amount of the debt or the sum outstanding under the debenture as at the end of each day during the 12 month period; and

B is the number of days during that 12 month period.

(3) For the purposes of A in sub-paragraph (2) there shall be excluded any sums which represent interest which has accrued on that debt or debenture within that 12 month period.

(4) For the purposes of A in sub-paragraph (2) where the debt or debenture did not exist at the end of any day during the 12 month period, the amount of the debt or the sum outstanding under the debenture as at the end of that day shall be treated as being zero for the purposes of the calculation in A.

2. Where the amount of the debt or the sum outstanding under the debenture is not known as at the end of any particular date, the directors of the community interest company may, for the purposes of the calculation referred to in paragraph 1, substitute for the debt or the sum outstanding under the debenture such amount or sum as they estimate to be the amount of the debt or the sum outstanding under the debenture as at the end of that particular date.

SCHEDULE 5

Regulation 36

FEES PAYABLE TO THE REGISTRAR OF COMPANIES

<i>Matter in relation to which fee is payable</i>	<i>Amount of fee</i>	<i>When payable</i>
Decision under section 36(4) of the 2004 Act as to whether a company is eligible to be formed as a community interest company	£15.00	On delivery to the registrar under section 10 of the 1985 Act, section 36 of the 2004 Act and regulation 11 of the documents constituting an application to form a community interest company
Decision under section 38(3) of the 2004 Act as to whether a company is eligible to become a community interest company	£15.00	On delivery to the registrar under section 380 of the 1985 Act, section 37 of the 2004 Act and regulation 12 of the documents constituting an application to the registrar to become a community interest company
Consideration of a community interest company report forwarded by the registrar under section 34(4) of the 2004 Act	£15.00	On delivery of the report to the registrar