

Status: Point in time view as at 01/01/2018.

Changes to legislation: Companies (Audit, Investigations and Community Enterprise) Act 2004, Section 54A is up to date with all changes known to be in force on or before 30 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)



Companies (Audit, Investigations and Community Enterprise) Act 2004

2004 CHAPTER 27

PART 2

COMMUNITY INTEREST COMPANIES

Change of status

[^{F1}54A. Ceasing to be a community interest company and becoming a charity: application to court to cancel resolutions

- (1) Where special resolutions have been passed with a view to a company ceasing to be a community interest company and becoming a charity, an application to the court for the cancellation of the resolutions may be made—
 - (a) by the holders of not less in the aggregate than 15% in nominal value of the company's issued share capital or any class of the company's issued share capital (disregarding any shares held by the company as treasury shares);
 - (b) if the company is not limited by shares, by not less than 15% of its members; or
 - (c) by the holders of not less than 15% of the company's debentures entitling the holders to object to an alteration of its objects;but not by a person who has consented to or voted in favour of the resolutions.
- (2) The application—
 - (a) must be made within 28 days after the date on which the resolutions were passed or made (or, if the resolutions were passed or made on different days, the date on which the last of them was passed or made), and
 - (b) may be made on behalf of the persons entitled to make it by such one or more of their number as they may appoint for the purpose.
- (3) On the hearing of the application the court shall make an order either cancelling or confirming the resolutions.

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- (4) The court may—
- (a) make that order on such terms and conditions as it thinks fit,
 - (b) if it thinks fit adjourn the proceedings in order that an arrangement may be made to the satisfaction of the court for the purchase of the interests of dissentient members, and
 - (c) give such directions, and make such orders, as it thinks expedient for facilitating or carrying into effect any such arrangement.
- (5) The court's order may, if the court thinks fit—
- (a) provide for the purchase by the company of the shares of any of its members and for the reduction accordingly of the company's capital; and
 - (b) make such alteration in the company's articles as may be required in consequence of that provision.
- (6) The court's order may, if the court thinks fit, require the company not to make any, or any specified, amendments to its articles without the leave of the court.]

Textual Amendments

- F1** Ss. 54-54C substituted for s. 54 (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 237(1)** (with art. 10)

Modifications etc. (not altering text)

- C1** Ss. 53-55 power to apply (with modifications) or disapply conferred (E.W.) (14.3.2012) by [Charities Act 2011 \(c. 25\)](#), **ss. 234(2)(a), 355** (with s. 20(2), Sch. 8)
- C2** Ss. 53-55A excluded (E.W.) (1.1.2018) by [The Charitable Incorporated Organisations \(Conversion\) Regulations 2017 \(S.I. 2017/1232\)](#), regs. 1(1), **3**

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