**THE COMPANIES ACT 2006**

**SPECIAL RESOLUTION**

# To convert from a community interest company to a charitable company

# Part A

# Enter details of existing community interest company

Company name: company name

Company number: insert company number

Company type:

At a general meeting of the above company, duly convened and held at:

insert address

On the following date: insert date

The following three resolutions listed in Part B were passed as special resolutions:

## Part B

## Enter details of proposed charitable company

## RESOLUTION

 (1) The company name shall be changed to:

insert company name

 (2) That the clause containing the following wording shall be deleted from the company’s memorandum or articles of association:

 “The company shall be a community interest company.”

 (3) The articles of association shall be altered so as to comply with requirements in connection with becoming a charitable company. The articles of association shall be altered so as to take the form of the articles of association attached to this resolution are in substitution for, and to the exclusion of, any articles of association of the company previously registered with the Registrar of Companies.

………………………… …………………………

 Chairman Date

 NOTES

(1) On the formalities required when a CIC becomes a charitable company, see generally section 53 to 55 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and Chapters 10.2 of the Regulator’s guidance notes (available from the website [www.cicregulator.gov.uk](http://www.cicregulator.gov.uk/)).

(2) You will need to satisfy the Charity Commission that your company’s constitution fulfils the requirements of charity law, particularly with regard to the statement of its objects which appears in its memorandum. Section 54(7) requires a statement from the Charity Commissioners that in their opinion, if the special resolutions take effect and the company ceases to be a community interest company the company will be an English charity and not an exempt charity. Or a statement by the Scottish Charity Regulator that, if the special resolutions take effect and the company ceases to be a community interest company, the company will be entered on the Scottish Charity Register”

(3) This precedent is drafted as a certificate of passing of the special resolutions which a company must pass as part of the process of becoming a CIC. It is a document to be signed by the chairman of the general meeting at which the special resolutions are passed, certifying that the meeting was duly convened and the resolutions duly passed. As such it is the sort of document which should be forwarded to Companies House to show that the resolutions have been passed as required.

(4) You may wish to replace your existing articles with something more closely based on one of the precedents published by the Charity Commission (see http://www.charity-commission.gov.uk/registration/mgds.asp).

(5) Section 32 obliges every CIC to include in its articles a statement that it is to be a CIC. Section 37(1)(c) and section 33 of the Act oblige companies converting to become CICs to change their names to include one of the prescribed CIC corporate designations rather than “limited” or “plc”. When a company ceases to be a CIC, it must remove this statement from its articles and adopt a name which does not include a CIC designation.

 (6) Broadly speaking, any provision of the company’s memorandum and articles can be changed by special resolution or a notice of a change of name by resolution, as appropriate. However, there are certain exceptions to this:

(i) the clause in the articles which specifies whether the company’s registered office is to be located in England and Wales, Wales or Scotland; and

(ii) any clause which the articles state is unalterable, or can only be altered by some procedure more onerous than the passing of a special resolution.

Furthermore, if you wish to alter the statement of the company’s objects in its articles once it has become a charity, you will need the prior written consent of the Charity Commission.

(7) With the exception of the statement of CIC status, the precedent assumes that, rather than setting out each change introduced in the articles, as a result of the conversion under sections 53 to 55, the resolution will simply substitute a complete new form of articles which includes all the changes. If, instead, you wish to introduce all the changes piecemeal, you will need to add resolutions to that effect. But in any event, you must file a consolidated text of the articles as altered by any special resolution: it is an offence not to do so (see section 34 of the Companies Act 2006).