

# LAND REFORM (SCOTLAND) ACT 2003

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## EXPLANATORY NOTES

### THE ACT – AN OVERVIEW

#### **Part 2 the Community Right to Buy**

##### *Section 34: Community bodies*

128. Subsection (1) prescribes that a community body must be a company limited by guarantee and lists the requirements which must be included in its memorandum and articles of association.
129. Subsection (2) allows Ministers discretion over the minimum number of members a community body must have.
130. Subsection (3) defines a “company limited by guarantee”, by reference to the [Companies Act 1985 \(c.6\)](#), as meaning a company having the liability of its members limited by the memorandum to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.
131. Subsection (4) provides that a community body cannot be recognised as such until Ministers are satisfied that its main purpose is consistent with furthering the achievement of sustainable development.
132. Subsection (5)(a) provides that the memorandum and articles of association of a community body must define the community to which it relates by reference to postcode units. Subsection (5)(b) sets down criteria for determining which persons comprise a community. However, Ministers may direct that a community body is to define the community to which it relates by reference to different criteria. They may also direct that criteria other than that set out in subsection (5)(b) be used to determine which persons comprise a community.
133. Subsection (7) states, for the avoidance of doubt, that the memorandum and articles of association of a community body may prevent its assets from passing, on a winding up of the body, to any body which is not a charity. Subsection (8) defines “charity”, for the purposes of this section, as being a body which is entitled to describe itself as a Scottish charity.