



# Charities Act 1993

## 1993 CHAPTER 10

### PART VIII

#### CHARITABLE COMPANIES

#### 63 Winding up.

- (1) Where a charity may be wound up by the High Court under the <sup>M1</sup>Insolvency Act 1986, a petition for it to be wound up under that Act by any court in England or Wales having jurisdiction may be presented by the Attorney General, as well as by any person authorised by that Act.
- (2) Where a charity may be so wound up by the High Court, such a petition may also be presented by [<sup>F1</sup>the Commission] if, at any time after [<sup>F2</sup>it has instituted] an inquiry under section 8 above with respect to the charity, [<sup>F3</sup>it is satisfied] as mentioned in section 18(1)(a) or (b) above.
- [<sup>F4</sup>(3) The Commission may make an application under section 1029 of the Companies Act 2006 (application to court for restoration to the register of companies) to restore a charitable company to the register of companies.]
- (5) The powers exercisable by [<sup>F5</sup>the Commission] by virtue of this section shall be exercisable [<sup>F6</sup>by the Commission of its own motion], but shall be exercisable only with the agreement of the Attorney General on each occasion.
- (6) In this section “charitable company” means a company which is a charity.

#### Annotations:

#### Amendments (Textual)

**F1** Words in s. 63(2) substituted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 8 para. 150\(2\)\(a\)](#); [S.I. 2007/309](#), art. 2, Sch.

**F2** Words in s. 63(2) substituted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 8 para. 150\(2\)\(b\)](#); [S.I. 2007/309](#), art. 2, Sch.

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- F3** Words in s. 63(2) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 150(2) (c)**; S.I. 2007/309, art. 2, Sch.
- F4** S. 63(3) substituted for s. 63(3),(4) (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. 139(4)** (with art. 10)
- F5** Words in s. 63(5) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 150(5) (a)**; S.I. 2007/309, art. 2, Sch.
- F6** Words in s. 63(5) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 150(5) (b)**; S.I. 2007/309, art. 2, Sch.

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#### Marginal Citations

- M1** 1986 c. 45.

## 64 Alteration of objects<sup>F7</sup> ....

- (1) Where a charity is a company or other body corporate having power to alter the instruments establishing or regulating it as a body corporate, no exercise of that power which has the effect of the body ceasing to be a charity shall be valid so as to affect the application of—
- (a) any property acquired under any disposition or agreement previously made otherwise than for full consideration in money or money's worth, or any property representing property so acquired,
  - (b) any property representing income which has accrued before the alteration is made, or
  - (c) the income from any such property as aforesaid.
- [<sup>F8</sup>(2) Where a charity is a company, any regulated alteration by the company—
- (a) requires the prior written consent of the Commission, and
  - (b) is ineffective if such consent has not been obtained.
- (2A) The following are “regulated alterations”—
- [<sup>F9</sup>(a) an amendment of the company's articles of association adding, removing or altering a statement of the company's objects,]
  - (b) any alteration of any provision of its [<sup>F10</sup>articles of association] directing the application of property of the company on its dissolution, and
  - (c) any alteration of any provision of its [<sup>F10</sup>articles of association] where the alteration would provide authorisation for any benefit to be obtained by directors or members of the company or persons connected with them.
- (2B) For the purposes of subsection (2A) above—
- (a) “benefit” means a direct or indirect benefit of any nature, except that it does not include any remuneration (within the meaning of section 73A below) whose receipt may be authorised under that section; and
  - (b) the same rules apply for determining whether a person is connected with a director or member of the company as apply, in accordance with section 73B(5) and (6) below, for determining whether a person is connected with a charity trustee for the purposes of section 73A.]
- [<sup>F11</sup>(3) Where a company that has made a regulated alteration in accordance with subsection (2) is required—
- (a) by section 26 of the Companies Act 2006 to send to the registrar of companies a copy of its articles as amended,

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- (b) by section 30 of that Act to forward to the registrar a copy of the special resolution effecting the alteration, or
  - (c) by section 31 of that Act to give notice to the registrar of the amendment, the copy or notice must be accompanied by a copy of the Commission’s consent.
- (3A) If more than one of those provisions applies and they are complied with at different times, the company need not send a further copy of the Commission’s consent if a copy was sent on an earlier occasion.
- (4) Section 30(2) to (4) of that Act (offence of failing to comply with section 30) apply in relation to a failure to comply with subsection (3) above as in relation to a failure to comply with that section.]

**Annotations:**

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**Amendments (Textual)**

**F7** Word in s. 64 heading omitted (1.10.2009) by virtue of [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 139(5)(a)** (with art. 10)

**F8** S. 64(2)-(2B) substituted for s. 64(2) (18.3.2008) by [Charities Act 2006 \(c. 50\)](#), **ss. 31(2)**, 79(2); [S.I. 2008/751](#), art. 2, **Sch.** (with art. 8)

**F9** S. 64(2A)(a) substituted (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. 139(5)(b)(i)** (with art. 10)

**F10** Words in s. 64(2A)(b),(c) substituted (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. 139(5)(b)(ii)** (with art. 10)

**F11** S. 64(3)-(4) substituted for s. 64(3)(4) (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. 139(5)(c)** (with art. 10)

<sup>F12</sup>**65 Invalidation of certain transactions.**

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**Annotations:**

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**Amendments (Textual)**

**F12** S. 65 omitted (1.10.2009) by virtue of [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 139(6)** (with art. 10)

<sup>F13</sup>**66 Consent of Commission required for approval etc by members of charitable companies**

- (1) Where a company is a charity—
  - (a) any approval given by the members of the company under any provision of Chapter 4 of Part 10 of the Companies Act 2006 (transactions with directors requiring approval by members) listed in subsection (2) below, and
  - (b) any affirmation given by members of the company under section 196 or 214 of that Act (affirmation of unapproved property transactions and loans),

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is ineffective without the prior written consent of the Commission.

(2) The provisions are—

- (a) section 188 (directors' long-term service contracts);
- (b) section 190 (substantial property transactions with directors etc);
- (c) section 197, 198 or 200 (loans and quasi-loans to directors etc);
- (d) section 201 (credit transactions for benefit of directors etc);
- (e) section 203 (related arrangements);
- (f) section 217 (payments to directors for loss of office);
- (g) section 218 (payments to directors for loss of office: transfer of undertaking etc).

**Annotations:**

**Amendments (Textual)**

**F13** Ss. 66, 66A substituted (1.10.2007) for s. 66 by [Companies Act 2006 \(c. 46\)](#), **ss. 226**, 1300(2); S.I. 2007/2194, art. 2(1)(d) (with arts. 712)

**66A Consent of Commission required for certain acts of charitable company**

- (1) A company that is a charity may not do an act to which this section applies without the prior written consent of the Commission.
- (2) This section applies to an act that—
  - (a) does not require approval under a listed provision of Chapter 4 of Part 10 of the Companies Act 2006 (transactions with directors) by the members of the company, but
  - (b) would require such approval but for an exemption in the provision in question that disappplies the need for approval on the part of the members of a body corporate which is a wholly-owned subsidiary of another body corporate.
- (3) The reference to a listed provision is a reference to a provision listed in section 66(2) above.
- (4) If a company acts in contravention of this section, the exemption referred to in subsection (2)(b) shall be treated as of no effect in relation to the act.]

**Annotations:**

**Amendments (Textual)**

**F13** Ss. 66, 66A substituted (1.10.2007) for s. 66 by [Companies Act 2006 \(c. 46\)](#), **ss. 226**, 1300(2); S.I. 2007/2194, art. 2(1)(d) (with arts. 712)

**<sup>F14</sup>67 Name to appear on correspondence etc.**

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**Annotations:**

**Amendments (Textual)**

**F14** S. 67 repealed (1.10.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(3), [Sch. 4](#) (with arts. 6, 11, 12)

**[<sup>F15</sup>68 Requirement to disclose charitable status**

- (1) Where a company is a charity and its name does not include the word “charity” or “charitable”, the fact that the company is a charity must be stated in legible characters
  - (a) in every location, and in every description of document or communication, in which it is required by regulations under section 82 of the Companies Act 2006 to state its registered name, and
  - (b) in all conveyances purporting to be executed by the company.
- (2) Where a company’s name includes the word “elusen” or “elusennol” (the Welsh equivalents of “charity” and “charitable”), subsection (1) does not apply in relation to any document that is wholly in Welsh.
- (3) The statement required by subsection (1) must be in English, except that, in the case of a document that is otherwise wholly in Welsh, the statement may be in Welsh if it consists of or includes the word “elusen” or “elusennol”.
- (4) In subsection (1)(b) “conveyance” means any instrument creating, transferring, varying or extinguishing an interest in land.

**Annotations:**

**Amendments (Textual)**

**F15** [Ss. 68-68ZB](#) substituted for [s. 68](#) (1.10.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(3), [Sch. 3 para. 7](#) (with arts. 6, 11, 12)

**68ZA. Civil consequences of failure to make required disclosure**

- (1) This section applies to any legal proceedings brought by a company to which section 68 applies to enforce a right arising out of a contract or conveyance in connection with which there was a failure to comply with that section.
- (2) The proceedings shall be dismissed if the defendant to the proceedings shows—
  - (a) that he has a claim against the claimant arising out of the contract or conveyance that he has been unable to pursue by reason of the latter’s failure to comply with section 68, or
  - (b) that he has suffered some financial loss in connection with the contract or conveyance by reason of the claimant’s failure to comply with that section, unless the court before which the proceedings are brought is satisfied that it is just and equitable to permit the proceedings to continue.
- (3) This section does not affect the right of any person to enforce such rights as he may have against another person in any proceedings brought by that person.

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**Annotations:**

**Amendments (Textual)**

**F15** Ss. 68-68ZB substituted for s. 68 (1.10.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(3), [Sch. 3 para. 7](#) (with arts. 6, 11, 12)

**68ZB. Criminal consequences of failure to make required disclosure**

- (1) Where a company fails, without reasonable excuse, to comply with section 68, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (2) For this purpose a shadow director of the company is treated as an officer of the company if the failure is to comply with section 68(1)(a) and that person would be treated as an officer of the company for the purposes of the corresponding requirement of regulations under section 82 of the Companies Act 2006.
- (3) A person guilty of such an offence is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (4) Expressions used in this section have the same meaning as in section 84 of the Companies Act 2006 (criminal consequences of failure to disclose company's registered name).]

**Annotations:**

**Amendments (Textual)**

**F15** Ss. 68-68ZB substituted for s. 68 (1.10.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(3), [Sch. 3 para. 7](#) (with arts. 6, 11, 12)

**[<sup>F16</sup>68A Duty of charity's auditors etc. to report matters to Commission**

- (1) Section 44A(2) to (7) above shall apply in relation to a person [<sup>F17</sup> acting as an auditor of a charitable company appointed under Chapter 2 of Part 16 of the Companies Act 2006 (appointment of auditors) as they apply] in relation to a person such as is mentioned in section 44A(1).
- (2) For this purpose any reference in section 44A to a person acting in the capacity mentioned in section 44A(1) is to be read as a reference to his acting in the capacity mentioned in subsection (1) of this section.
- (3) In this section “charitable company” means a charity which is a company.]

**Annotations:**

**Amendments (Textual)**

**F16** S. 68A inserted (1.4.2008) by [Charities Act 2006 \(c. 50\)](#), [ss. 33, 79\(2\)](#) (with [Sch. 10 para. 10](#)); [S.I. 2008/945](#), art. 2, [Sch. 1](#)

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**F17** Words in s. 68A(1) substituted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), **6**

## 69 Investigation of accounts.

(1) In the case of a charity which is a company [<sup>F18</sup>the Commission] may by order require that the condition and [<sup>F19</sup>relevant] accounts of the charity for such period as [<sup>F20</sup>the Commission thinks fit] shall be investigated and audited by an auditor appointed [<sup>F21</sup>by the Commission], being a person eligible for appointment as a [<sup>F22</sup>statutory auditor under Part 42 of the Companies Act 2006] .

[<sup>F23</sup>(1A) “Relevant accounts” means accounts required to be audited under [<sup>F24</sup>Part 16 of the Companies Act 2006] .]

(2) An auditor acting under subsection (1) above—

- (a) shall have a right of access to all books, accounts and documents relating to the charity which are in the possession or control of the charity trustees or to which the charity trustees have access;
- (b) shall be entitled to require from any charity trustee, past or present, and from any past or present officer or employee of the charity such information and explanation as he thinks necessary for the performance of his duties;
- (c) shall at the conclusion or during the progress of the audit make such reports to [<sup>F25</sup>the Commission] about the audit or about the accounts or affairs of the charity as he thinks the case requires, and shall send a copy of any such report to the charity trustees.

(3) The expenses of any audit under subsection (1) above, including the remuneration of the auditor, shall be paid by [<sup>F26</sup>the Commission].

(4) If any person fails to afford an auditor any facility to which he is entitled under subsection (2) above [<sup>F27</sup>the Commission] may by order give to that person or to the charity trustees for the time being such directions as [<sup>F28</sup>the Commission thinks] appropriate for securing that the default is made good.

### Annotations:

#### Amendments (Textual)

**F18** Words in s. 69(1) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(2) (a)**; S.I. 2007/309, art. 2, Sch.

**F19** Words in s. 69(1) inserted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), **7(2)**

**F20** Words in s. 69(1) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(2) (b)**; S.I. 2007/309, art. 2, Sch.

**F21** Words in s. 69(1) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(2) (c)**; S.I. 2007/309, art. 2, Sch.

**F22** Words in s. 69(1) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 1(rr)** (with arts. 6, 11, 12)

**F23** S. 69(1A) inserted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), **7(3)**



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- F24** Words in s. 69(1A) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 192(8)** (with arts. 6, 11, 12)
- F25** Words in s. 69(2)(c) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(3)**; S.I. 2007/309, art. 2, Sch.
- F26** Words in s. 69(3) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(3)**; S.I. 2007/309, art. 2, Sch.
- F27** Words in s. 69(4) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(4) (a)**; S.I. 2007/309, art. 2, Sch.
- F28** Words in s. 69(4) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 154(4) (b)**; S.I. 2007/309, art. 2, Sch.



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#### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act repealed by [2011 c. 25 Sch. 10](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 3A(11)(c)-(f) substituted for s. 3A(11)(c) and word by [S.I. 2011/1396 Sch. para. 6\(b\)](#)
- s. 14B(7) inserted by [S.I. 2011/1396 Sch. para. 9](#)
- s. 17(2A) inserted by [S.I. 2011/1396 Sch. para. 10\(2\)](#)
- s. 45(3B) inserted by [2006 c. 50 Sch. 7 para. 4](#) (This amendment not applied to legislation.gov.uk. Sch. 7 repealed (14.3.2012) by 2011 c. 25, ss. 354, 355, Sch. 10)
- s. 79(7)(aa) inserted by [S.I. 2011/1396 Sch. para. 12\(2\)](#)
- Sch. 2 para. (ca) inserted by [2010 c. 32 s. 12\(4\)](#)
- Sch. 2 para. (cb)-(cd) inserted by [S.I. 2011/1725 art. 2\(2\)](#)
- Sch. 2 para. (wa) inserted by [S.I. 2011/1725 art. 2\(4\)](#)
- Sch. 2 para. (y) words substituted by [2006 c. 50 s. 11\(8\)](#) (This amendment not applied to legislation.gov.uk. S. 11 repealed (14.3.2012) by 2011 c. 25, ss. 354, 355, Sch. 10)
- Sch. 2 para. (w) words substituted by [S.I. 2011/1725 art. 2\(3\)](#)
- Sch. 3 para. 1 words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 2 words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 3 words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 3A words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 4 words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 4A words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 5 words substituted by [S.I. 2011/1396 Sch. para. 32](#)
- Sch. 3 para. 6 words substituted by [S.I. 2011/1396 Sch. para. 32](#)

#### Commencement Orders yet to be applied to the Charities Act 1993

Commencement Orders bringing legislation that affects this Act into force:

- [S.I. 2011/1149 art. 2](#) commences ([2010 c. 32](#))
- [S.I. 2011/1725 Sch. para. 6](#) commences ( )
- [S.I. 2011/1728 art. 2](#) Sch. 1 commences ([2006 c. 50](#))
- [2012 No. 1 art. 2](#) commences ([2011 No. 3](#))