
STATUTORY INSTRUMENTS

2005 No. 1788

The Community Interest Company Regulations 2005

PART 1

Citation, commencement and interpretation

Citation and commencement

1. These Regulations may be cited as the Community Interest Company Regulations 2005 and shall come into force on 1 July 2005.

Interpretation

2. In these Regulations—

“the 1985 Act” means the Companies Act 1985⁽¹⁾;

“the 2004 Act” means the Companies (Audit, Investigations and Community Enterprise) Act 2004;

“aggregate dividend cap” means a cap set under regulation 22 for the purposes of determining maximum aggregate dividends;

“appellant” means, in respect of an appeal to the Appeal Officer, the person bringing the appeal;

“applicable share dividend cap” has the meaning given in regulation 18(2) and (3);

“applicable interest cap” has the meaning given in regulation 21(3);

“asset-locked body” means—

- (a) a community interest company, charity or Scottish charity; or
- (b) a body established outside Great Britain that is equivalent to any of those persons;

“community interest statement” means a statement in a form approved by the Regulator which—

- (a) contains a declaration that the company will carry on its activities for the benefit of the community or a section of the community; and
- (b) indicates how it is proposed that the company’s activities will benefit the community (or a section of the community);

“distributable profits” means, in relation to a company, its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made, and is to be interpreted in accordance with the provisions of section 263(3) of the 1985 Act relating to the meaning of a company’s profits available for distribution;

“election” means any election to public office held in Great Britain or elsewhere;

(1) 1985 c. 6.

“employee” means a person who has entered into or works under (or, where the employment has ceased, worked under)—

- (a) a contract of service or apprenticeship; or
- (b) a contract for services under which it is agreed that a specified individual is to perform services,

whether express or implied, and (if it is express) whether oral or in writing;

“employer” means the person by whom an employee is (or, where the employment has ceased, was) employed;

“exempt dividend” has the meaning given in regulation 17(3);

“governmental authority” includes—

- (a) any national, regional or local government in Great Britain or elsewhere, including any organ or agency of any such government;
- (b) the European Community, or any of its institutions or agencies; and
- (c) any organisation which is able to make rules or adopt decisions which are legally binding on any governmental authority falling within sub-paragraph (a) or (b);

“interest cap” means a cap set under regulation 22 for the purpose of determining the maximum rate of interest payable under regulation 21;

“manager” means a person appointed by order under section 47(1) of the 2004 Act;

“maximum aggregate dividend” has the meaning given to it in regulation 19;

“maximum dividend per share” has the meaning given to it in regulation 18(1);

“paid up value” means, in respect of any share in a company, the sum of—

- (a) so much of the share’s nominal value as has been paid up; and
- (b) any premium on that share paid to the company;

“performance-related rate” means any rate which is linked to the company’s profits or turnover or to any item in the balance sheet of the company;

“political party” includes any person standing, or proposing to stand, as a candidate at any election, and any person holding public office following his election to that office;

“political campaigning organisation” means any person carrying on, or proposing to carry on activities—

- (a) to promote, or oppose, changes in any law applicable in Great Britain or elsewhere, or any policy of a governmental or public authority (unless such activities are incidental to other activities carried on by that person); or
- (b) which could reasonably be regarded as intended to affect public support for a political party, or to influence voters in relation to any election or referendum (unless such activities are incidental to other activities carried on by that person);

“public authority” includes—

- (a) a court or tribunal; and
- (b) any person certain of whose functions are functions of a public nature;

“referendum” includes any national or regional referendum or other poll held in pursuance of any provision made by or under the law of any state on one or more questions or propositions specified in or in accordance with any such provision;

“relevant company” means a community interest company which is a company limited by shares or a company limited by guarantee with a share capital;

“share dividend cap” means a cap set under regulation 22 for the purpose of determining maximum dividends per share;

“subsidiary” has the meaning given to it in section 736 of the 1985 Act⁽²⁾; and

“unused dividend capacity” has the meaning given to it in regulation 20(2).

(2) Section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).