



**COMMUNITY  
INTEREST  
COMPANIES**

**The Office of the Regulator of  
Community Interest Companies**

**OPERATIONAL REPORT**

First Quarter 2013 – 2014

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## 1. REVIEW

Welcome to the First Quarter Report for 20013/14.

Our Regulator, Sara Burgess, has been extremely busy this quarter out and about raising awareness of CICs and the CIC brand. She travelled all over the UK visiting places such as Oxford for the Skoll World Forum, West Midlands for a Social Enterprise Event, Porthcawl in Wales to visit an organisation intending to become a CIC and Plymouth to discuss Social Enterprises in the South West. Please see [Section 4. 'Awareness,'](#) for further details.

Sara's visits are obviously paying dividends as the numbers of CICs continues to rise with a growth of 441 this quarter resulting in over 8000 CICs on the public register. This excellent figure is despite 191 CICs dissolving this quarter. The greatest growth can be seen, as expected in London with a total of 1259 CICs, second highest is in the North west with 1155 CICs and thirdly the South East with 1046 CICs registered. Please see [Section 8 'Statistics'](#) for further information.

We continue to hear great things about the activities of our CICs with many receiving awards for the wonderful works they are involved in. For example [OnThisROC CIC](#) who provides climbing wall activities for their community received the Visionary Innovative Service Delivery Award from Bradbury Fields for their VI Climbing project and [TeenTech CIC](#) who promote the range of career opportunities available in Science, Engineering and Technology. This CIC won Best Outreach and Engagement Award presented by UKRC/WISE (Women in Science and Engineering). I have highlighted just a few of our CICs who have made such a difference by the work they do in their communities in [Section 5 'Profiling CICs'](#).

In Section 6 'Funding for CICs,' I have highlighted just some of our CICs who have been successful in their applications for funding this quarter. These amounts range from £5000 awarded to [Keighley Table Tennis Centre CIC](#) by [English Table Tennis Association](#) to £300,000 awarded to [Rhyl City Strategy CIC](#) by the [Coastal Communities Fund](#). This proves that even in times of austerity a good strong business plan with clear strategies can reap rewards!

I hope you find the report an interesting read.

## 2. THE TEAM

The CIC Team are based at Companies House in Cardiff and provide administrative support to the Regulator, Sara Burgess. The office opened on the 01 July 2005 and is engaged with the registration and regulation of community interest companies and whilst independent of Companies House has a very close working relationship with the Registrar of Companies and his team. We are a small but extremely busy team working hard to promote community interest companies and ensure that the integrity of the CIC brand is maintained.

Regulator:	Sara Burgess
Office Manager:	Phil Horrell
Case Manager	Helen Huish
Case Manager:	Ann Hunt
Case Manager	Jaci Lewis
Case Manager:	Marilyn Liddon
Operational Support Officer:	Natalie Westgarth



Helen, Sara, Jaci, Ann, Marilyn, Phil, Natalie

### 3. LEGISLATION

Community interest companies are subject to company law as set out in the Companies Act 2006 and related CIC legislation, as well as the common law of companies built up from decisions taken by the courts over the years. Key legislation relating to community interest companies is as follows

- the Companies (Audit, Investigations and Community Enterprise Act 2004 (the “Act”),
  - the Community Interest Company Regulations 2005 and;
  - the Companies Act 2006 (Commencement No.2 Consequential Amendments, Transition Provisions and Savings) Order 2007.
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### 4. AWARENESS

We have listed below some of the events, meetings and awareness raising sessions that our Regulator has attended this quarter:

**8<sup>th</sup> April** - In London for a meeting with Better Regulation Unit regarding growth duty for Regulators;

**10<sup>th</sup> April** - Skoll World Forum Conference in Oxford;

**29<sup>th</sup> April** - Money Talks: Unlocking Social Investment event – Plymouth University;

**8<sup>th</sup> May** – Meeting with representatives from the Treasury and HMRC on the joint work in consulting;

**9<sup>th</sup> May** – Meeting with BETs Minister to discuss CICs in Wales;

**13<sup>th</sup> May** - Bates Wells and Braithwaite Roundtable meeting to discuss companies limited by shares which have an element of social purpose;

**21<sup>st</sup> May** – Social Enterprise Network Plymouth to discuss Social Enterprises in the South West;

**22<sup>nd</sup> May** – Social Enterprise UK to discuss future collaboration between SEUK and the CIC Office;

**23<sup>rd</sup> May** – Social Firms Wales, Flintshire, to discuss the move of a local authority mental health service out of local authority ownership to an independent Social Firm, the preferred legal model being Community Interest Company CIC;

**30<sup>th</sup> May** - Porthcawl Harbourside - an organisation considering becoming a CIC.

**12<sup>th</sup> June** - The Judge Business School research project into CICs is now underway and we met the research student who is taking the lead in this. She spent the morning with us and has fed back that she found it really useful coming to the office and meeting Sara, Phil and the team.

**13<sup>th</sup> June** -The Social Enterprise West Midlands event on finance.

**20<sup>th</sup> June** - Sara met with the Portland Integrated Medicine project steering group in Bristol. They are planning to spin out from the NHS Trust in Bristol to become a social enterprise.

**25<sup>th</sup> June** - Sara attended a summit made up of key players in the social enterprise sector as well as politicians. The summit was organised by newly formed Social Economy Alliance. Sara felt that it was really good to be able to go and listen and keep CICs in the picture.

**29<sup>th</sup> June** - Sara was invited to the launch of Circles Café Bar at Great Ashby Community Centre in Stevenage.

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## 5. PROFILING CICS

With almost 800 annual community interest company reports filed this quarter, the Regulator has had an opportunity to see how CICs are delivering their stated benefit to the community. All reports are filed on the public register and available to download but we thought it would be helpful to list a few that caught our eye:

**Ask Big Dave CIC** was formed in 2009 with the purpose of running educational training programmes to address bullying and anti-social behavior. 'Big Dave' Gauder is a Strong Man and has competed in many Strong Man events up and down the country and is the only man to have pulled Concorde at a charity event back in 1992! His message however is a serious one. While Dave demonstrates physical strength, he talks about the importance of mental strength as a tactic in overcoming bullying issues. To date Dave has spoken to over one million young people on this subject. Dave runs a school 'Buddie' programme at 5 primary schools in Birmingham as well as a number of Anti-Bullying roadshows. The website can be found at [www.bigdavesworld.co.uk](http://www.bigdavesworld.co.uk)

**Broomhill Art and Sculpture Foundation** was converted to a CIC in 2012 with the purpose of facilitating one of the largest permanent collections of contemporary sculpture in the South West of England. Broomhill park plays host to an amazing array of modern sculptures including stone, steel, wood and much more. The cornerstone of the year's work, once again, was the Broomhill National Sculpture Prize (NSP) with an annual prize fund of £15,000 to provide an exciting challenge for new and emerging UK based sculptors. Each year 10 short-listed sculptors selected by a panel of judges receive £1,000 each to create their proposed sculpture which is then exhibited at the Broomhill Sculpture Park in an annual NSP summer exhibition. Two overall winners are announced in October, one chosen by the public and the other by the panel of judges. Their website can be found at [www.broomhillart.co.uk](http://www.broomhillart.co.uk).

**Green Links CIC** was formed in 2006 with the purpose of providing high quality vocational skills training in Pembrokeshire. Over the last six years the company has grown to become a leading provider of vocational training in Pembrokeshire, now employing over 20 staff and delivering training in most of the county's senior schools and in community venues throughout Pembrokeshire. They have access to specialised workshops to support Engineering, Construction and Carpentry plus a fully equipped Hair & Beauty

Salon, an I.T Suite and the use of several classrooms. Green Links is now an 'Agored Cymru Centre' (the Welsh awarding organisation specialising in meeting the needs of all learners in Wales) and is delivering to a number of client groups. Their website can be found at [www.greenlinksonline.com](http://www.greenlinksonline.com)

**Minerva Social Enterprise (Hull) CIC** was formed in 2010 with the purpose of offering work placements, education and training to some of the most vulnerable members of society. The Minerva Team operates within the walls of HMP Hull and its cluster prisons, providing "through the gate care" for offenders re-entering society. They have renovated two derelict factory units and employ 28 staff from the ex-offender community - they also have over 12 micro businesses operating from the factories which generate income to re-invest into the company. The project has recently had an independent review of its service and was described as "outstanding value for money" and "innovative and UK leaders in its support for ex-offenders". The Team has also received national recognition by winning the LGC National Public Partners Award. It has received numerous visits from the Ministry of Justice, Home Office and several large metropolitan councils seeking out best practice. Check out the website on [www.minervasocialenterprise.co.uk](http://www.minervasocialenterprise.co.uk)

**OnThisROC CIC** was formed in 2010 with the purpose of providing climbing wall activities for the whole community and they use the sport of climbing to engage and equip people with life skills. This year they engaged in a project with ex offenders called 'Crime2Climb'. The project was recognised by the Merseyside Police Authority and received the Community Safety Award for reducing crime in Knowsley. Funding from Blatchington Court Trust saw them introduce a Climbing Club for blind and visually impaired teenagers in partnership with Bradbury Fields. Their VI Climbing Team achieved three medals, including Gold, at the first round of the British Mountaineering Council (BMC) Para Competition in Rochdale. Further success followed with two members of the Team being selected to compete for GB at the IFSC World

Para Climbing Championships in Paris in September where they were ranked 8<sup>th</sup> and 10<sup>th</sup> in the world! To round off a very successful year the CIC was nominated for Liverpool's Best Community Organisation Award and received the 2012 Visionary Innovative Service Delivery Award from Bradbury Fields for their VI Climbing project. Their website can be found at [www.onthisroc.co.uk](http://www.onthisroc.co.uk)

**TeenTech CIC** was formed in 2011 with the purpose of promoting the range of career opportunities available in Science, Engineering and Technology. TeenTech is an award winning, industry-led initiative founded by Maggie Philbin and Chris Dodson OBE to help the "X Factor" generation understand their true potential and the real opportunities available in the contemporary STEM workplace. TeenTech events take place at venues across the UK and at each event around 300 pupils from 30 different schools benefit from hands-on exhibits and challenges run by leading organisations. In 2010 they won the Best Engineering Event in Science and Engineering Week award and in 2011 they were the only UK organisation to receive a Google RISE award. In 2012 they also won Best Outreach and Engagement Award presented by UKRC/WISE (Women in Science and Engineering). Another claim to fame is that HRH Duke of York has agreed to be patron of the company! Their website can be found at [www.teentechevent.com](http://www.teentechevent.com).

**Youth Works Corby and Kettering CIC** was formed in 2006 with the purpose of delivering youth work projects, training programmes and volunteering opportunities across the Corby and Kettering areas of Northamptonshire. One highly successful project is the 'Rebike Project' which is a bicycle recycling project where young people come along with or without their own bikes and enjoy the use of a fully equipped workshop. They learn how to maintain and repair bikes with a qualified bike mechanic on hand to help. They can also help to repair bikes that have been donated to the project and these are then either sold to help fund the project or are sent to a local charity to help doctors and nurses get to their patients in the Gambia, Africa.

The Rebike Project won second prize in Northamptonshire Healthcare NHS Foundation Trust's 'Simply Improving Service's Awards' and picked up a cheque for £1,500. Their website can be found at [www.youthworkscic.org.uk](http://www.youthworkscic.org.uk)

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## 6. FUNDING FOR CICs

### TOP TIP:

In our experience, funders and grant makers are beginning to increasingly understand the role and purpose of CICs but this alone is not enough to secure funding. CICs need a strong business plan with a clear strategy, good corporate governance and an understanding of the social impact that will be delivered to the community.

Some funders also put in place additional requirements such as ring fencing the funds or asking for three unrelated directors and it is important that CICs have an understanding of each funder's specifications before submitting an application.

Central to this, is targeting those funders most sympathetic to the objects and social purpose of the CIC. Charitable trusts, for instance, have limited funds and they are more likely to support charities rather than CICs, although some will support CICs as long as their aims are charitable in nature.

These are some of the funding successes that have been brought to our attention this quarter:

**Beyond Youth CIC** was formed in 2010 and their staff will now be helping to cut re-offending in the New Basildon district after securing **£80,000** from the **National Lottery**. The company has to date worked with more than 400 people across Essex and London and it claims a 77 % non re-offending rate, more than three times the national average. The team works with those who have

less than six months until they are released from prison and with the monies received they hope to work with police on community-based intervention in Wickford and Billericay. Their website can be found at [www.beyondyouth.org.uk](http://www.beyondyouth.org.uk)

**Fullabrook Wind Farm CIC** was formed in 2006 with the purpose of making grants for the benefit of people within the North Devon District and in particular those living near to the Fullabrook Wind Farm. Under a grant funding agreement with [Devon Wind Power Ltd](#), Fullabrook receives an annual community fund grant of [£100,000](#) in August each year. They also received a first year grant of [£1million](#) in 2011 which is being spread over several years. The directors meet about every six weeks to assess applications for grant funding from community organisations in North Devon. The application process and the necessary forms are all available on the CICs website which also shows a list of all grants made to date! This year grants were made totalling [£157K](#). Recipients of the grants are requested to fix a plaque to the building or equipment funded in this way to encourage others to apply for similar grants! Their website can be found at [www.fullabrook-cic.org](http://www.fullabrook-cic.org)

**HealthHope CIC** was formed in 2011 to distribute grants to local worthy causes in London. Chris Eubank arrived at Crossroads Care Central & North London, a network partner of Carers Trust, at the beginning of what was Carers Week. He spent time speaking to the young adults and hearing their own experiences, as well as telling them about his own situation when he cared for his mother. Carers Trust supports more young carers in the UK than any other charity and provides a framework of support services to ease the emotional, physical and psychological burdens that carers commonly experience. The particular centre that Chris visited helps support young carers by providing community based support workers and the project recently received a grant from the CIC for [£46,000](#) through the [Health Lottery](#).

**Resolutions Mediation and Family Group Meetings CIC** was formed in 2011 in Wigan and has received [£136,000](#) from the [Big Lottery Fund](#) to run a

new service helping resolve problems in families and address a wide range of issues that may contribute to involvement in crime or antisocial behaviour such as truancy and relationship difficulties.

**Rhyl City Strategy CIC** was formed in 2008 with the purpose of developing and delivering locally tailored solutions to unemployment and economic inactivity in Denbighshire and Conwy. Their ethos is testing out new ideas and taking a fresh and innovative approach to long-standing problems. In response to the ongoing economic downturn and with a grant award from the **Coastal Communities Fund for £300,000**, they have begun developing a package of support aimed at stimulating and supporting the growth of local enterprise. This programme complements other areas of their work which has had a positive impact on local business this year. Through their Intermediate Labour Market scheme they created over 70 supported work placements with a host of local businesses, helping both young people and older people gain the work experience they need to gain a foothold in the labour market. Their new job brokerage service Open Doors is supporting employers to navigate their way through the maze of available programmes, helping them to recruit motivated and skilled staff from a register of over 700 jobseekers. Their website can be found at [www.rhycitystrategy.co.uk](http://www.rhycitystrategy.co.uk)

**Total Reuse CIC** was formed in 2010 with the purpose of preventing objects and materials becoming waste. They achieve this through conventional reuse where the item is repaired or refurbished and used again for the same function or new-life reuse where they take the component parts which are used for a new function. They have been successful in securing funding from **Big Lottery Awards for All and Reaching Communities fund**. Total funding amounts to approximately **£127,000** with £117,000 of this payable over a three year period. Some of the monies will be used to launch a new initiative called Glassworks that will introduce participants to the skills of kiln-forming including fusing & slumping, turning glass currently destined for landfill into

new and exciting products. The remaining funding will be used to develop further projects and to finance two Project Leader posts. Their website can be found at [www.totalreuse.co.uk](http://www.totalreuse.co.uk)

**Transforming Choice CIC** was formed in 2012 and has been successful in securing a grant of just under £300,000 from the [Big Lottery Fund's Reaching Communities programme](#). This will enable the CIC to offer the only residential alcohol reduction detox and rehabilitation service within the same location in Merseyside. The service aims to help those who have not been able to find help elsewhere due to long waiting lists or being ineligible because they are on medication.

Other funders that have helped CICs include:

FUNDER	AMOUNT £	CIC NAME
<a href="#">John Horseman Trust</a>	11,000	<a href="#">Basic Sports &amp; Fitness (BSF)</a>
<a href="#">Big Lottery</a>	10,000	<a href="#">StreetWise Soccer</a>
<a href="#">Awards For all</a>	9,000	<a href="#">Chichester Community Fencing Club</a>
<a href="#">Sport England</a>	7,000	<a href="#">New Era Boxing</a>
<a href="#">Children In Need</a>	5,270	<a href="#">North East Dance</a>
<a href="#">English Table Tennis Association</a>	5,000	<a href="#">Keighley Table Tennis Centre</a>



## 7. Completing the form IN01

In our experience, applicants find the completion of the form IN01 the most hazardous. A massive 80% of all rejections of applications are through errors

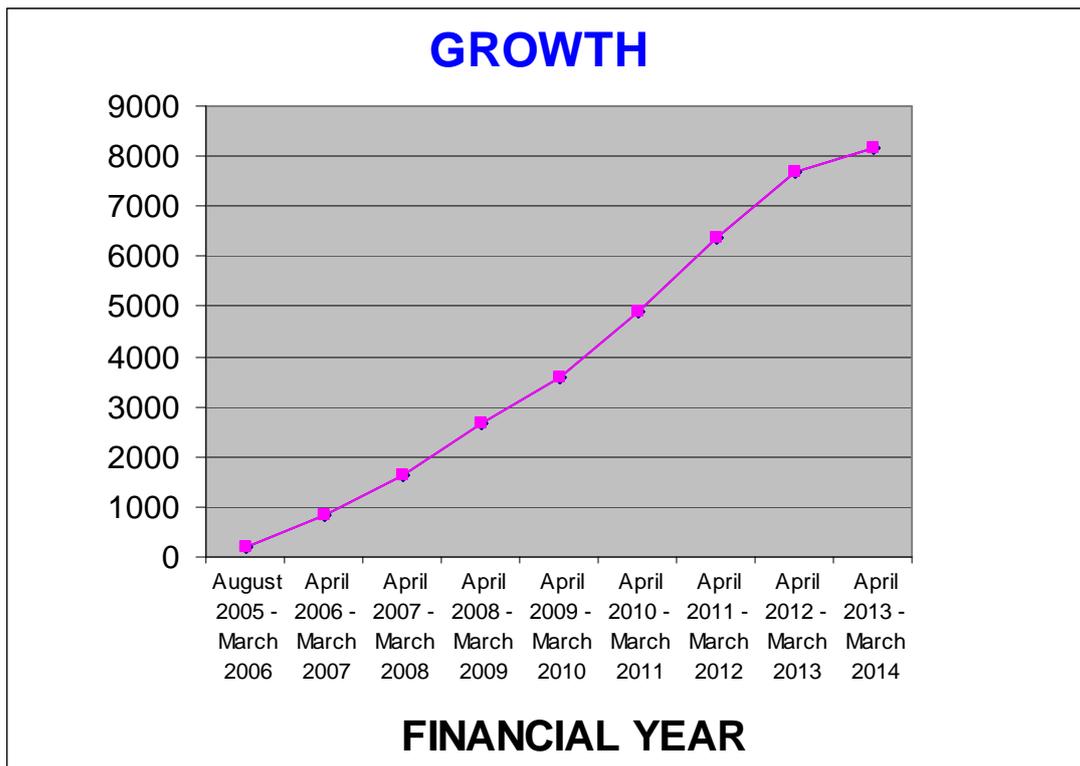
on this form. The most common errors are the completion of sections A1 Company Details, A3 Exemption from name ending with Limited, and A7 Articles of Association. The following are our top tips for the completion of these sections:

- A1 - Ensure that the name ending is shown in the company name. For private limited CICs these are 'community interest company' or 'c.i.c.' If the company name in full is not shown on the IN01 form Companies House will reject.
- A3 - DO NOT COMPLETE! - this should be left blank
- A7 - Please tick option 3 - this is because the proposed company is adopting articles that are bespoke to CIC companies.

## 8. STATISTICS

### a) GROWTH

	Approved	Dissolved	Converted To a Charity	Growth
2005 - 2006	208	0	0	208
2006 - 2007	637	0	0	637
2007 - 2008	814	35	3	776
2008 - 2009	1120	86	2	1032
2009 - 2010	1296	372	5	919
2010 - 2011	1825	484	8	1333
2011 - 2012	2087	590	11	1486
2012 - 2013	637	191	5	441
<b>Total</b>	<b>10678</b>	<b>2522</b>	<b>45</b>	<b>8111</b>



## b) INCORPORATIONS AND CONVERSIONS

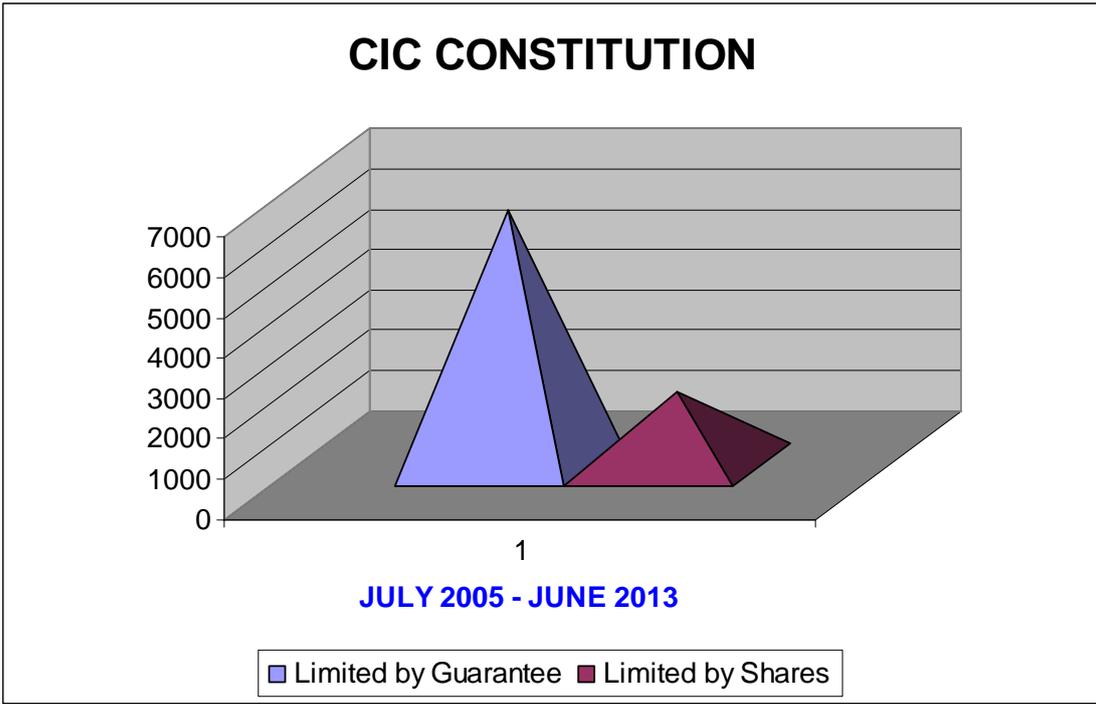
<b>United Kingdom</b>	
Incorporations	7135
Conversions	976
<b>Total</b>	<b>8111</b>
<b>England</b>	
Incorporations	6508
Conversions	897
<b>Total</b>	<b>7405</b>
<b>Northern Ireland</b>	
Incorporations	108
Conversions	12
<b>Total</b>	<b>120</b>

<b>Scotland</b>	
Incorporations	312
Conversions	44
<b>Total</b>	<b>356</b>
<b>Wales</b>	
Incorporations	207
Conversions	23
<b>Total</b>	<b>230</b>

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**c) CONSTITUTION**

<b>United Kingdom</b>	
Limited by Guarantee	6282
Limited by Shares	1829
<b>Total</b>	<b>8111</b>
<b>England</b>	
Limited by Guarantee	5733
Limited by Shares	1672
<b>Total</b>	<b>7405</b>
<b>Northern Ireland</b>	
Limited by Guarantee	104
Limited by Shares	16
<b>Total</b>	<b>120</b>
<b>Scotland</b>	
Limited by Guarantee	255
Limited by Shares	101
<b>Total</b>	<b>356</b>
<b>Wales</b>	
Limited by Guarantee	190
Limited by Shares	40
<b>Total</b>	<b>230</b>

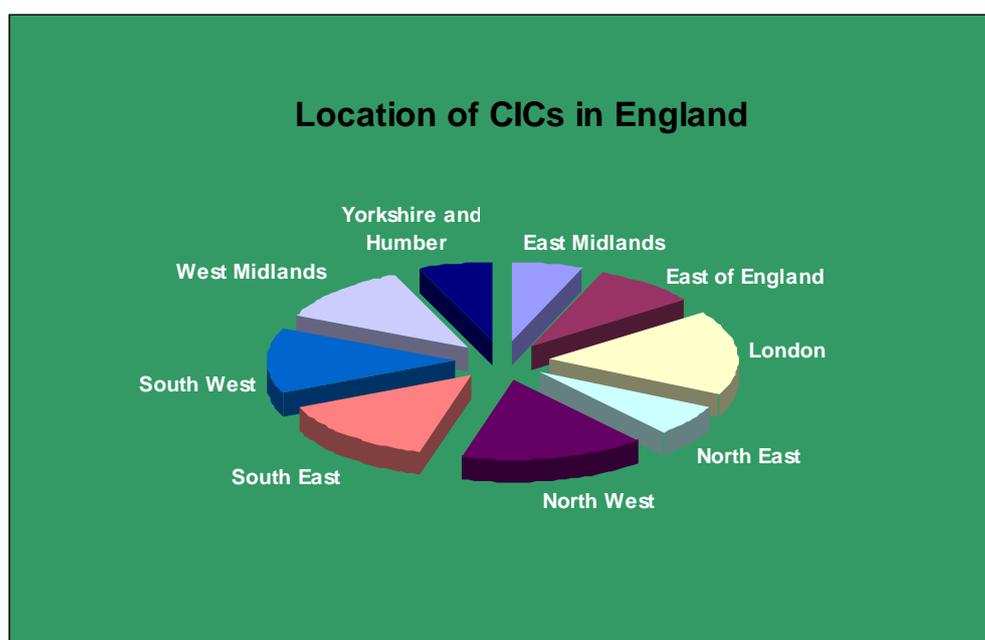


At the close of the period 77% of the CICs on the public register were limited by guarantee, with 23% limited by shares.

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d) LOCATION OF REGISTERED OFFICE

	Number	%
East Midland	462	6
East of England	654	8
London	1259	16
North East	491	6
North West	1155	14
South East	1046	13
South West	981	12
West Midlands	890	11
Yorkshire and Humber	467	6
<b>Total England</b>	<b>7405</b>	<b>92</b>
Northern Ireland	120	1
Scotland	356	4
Wales	230	3
<b>Total</b>	<b>8111</b>	<b>100</b>



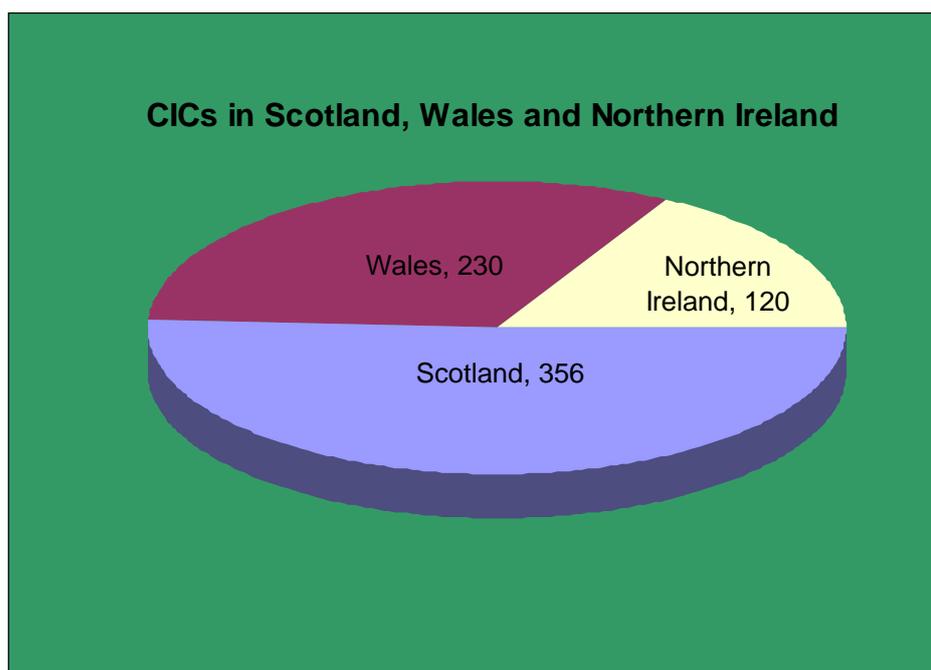
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**e) CICS IN SCOTLAND, WALES AND NORTHERN IRELAND**

The number of community interest companies registered in Scotland, Wales and Northern Ireland remains relatively small, representing just 8% of the total number registered in the UK. The above table identifies how this is broken down between the three countries.

Community interest companies were introduced throughout England, Scotland and Wales in July 2005 but legislation to allow community interest companies in Northern Ireland was only passed in April 2007, so progress in Northern Ireland has been relatively good.

The Regulator is keen to promote the growth of CICs outside England and has a close working relationship with the Scottish Social Enterprise Coalition and Social Enterprise UK. She has also had meetings with Social Firms Wales and The Business Enterprise, Technology and Science Minister to discuss CICs in Wales to spread the CIC word!



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**f) ANNUAL COMMUNITY INTEREST COMPANY REPORTS**

All the directors of a company have an additional obligation to prepare an Annual Community Interest Company Report which will be placed on public record. The purpose of the report is to demonstrate that the community interest company is still satisfying the Community Interest Test and that it is continuing to carry out activities which benefit the community.

<b>Financial Year</b>	<b>Number</b>
2005 - 2006	0
2006 - 2007	18
2007 - 2008	262
2008 - 2009	789
2009 - 2010	1571
2010 - 2011	2259
2011 - 2012	3040
2012- 2013	4163
2013 -2014	1087

## 9. ADMINISTRATION

In the last two quarters the Office of the Regulator of Community Interest Companies has dealt with the following number of enquiries:

	Telephone	E-mail
Current quarter	911	624
Previous quarter	1659	1106

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If you require this publications in an alternative format, email [cicregulator@companieshouse.gov.uk](mailto:cicregulator@companieshouse.gov.uk) or call 02920 346228 (24 hour voicemail).