



**COMMUNITY
INTEREST
COMPANIES**

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

OPERATIONAL REPORT

Fourth Quarter 2012 – 2013

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1. REVIEW

The end of this financial year shows a growth of 1279 CICs on the public register. Approved applications were slightly down with 2055 compared to 2087 for 2011/12. A factor in the slow down of growth is the amount of dissolutions received which are up by 125 this year in comparison to 2011/12. However at the end of the quarter 7670 CICs were recorded on the public register which proves that our CICs are still alive and kicking! You can find more detailed information in section 8.

The CIC Office has had another busy quarter with focus on the continuing update of our website so that it meets Plain English standards, ongoing review of our complaints procedures and liaising with our colleagues in Companies House to shorten the time taken to examine applications. See section 5 for further details.

Many CICs who are dissolving cite lack of funding as the main reason for winding up however a great many CICs continue to receive this support and you can read some of these success stories in section 7.

The Regulator has been travelling the length and breadth of the country raising awareness of our CICs culminating in sharing a celebration of CICs with Simon Cowell at the end March, intrigued? See section 4 for details!

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



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 just some of the events, meetings and awareness raising sessions that Sara has attended this quarter:

Royal Air Force Association

In January Sara attended a very interesting meeting held here in Cardiff with Jane Easton from the Royal Air Force Association about how CICs might fit into their future planning.

Nottingham CVS

In February Sara attended a Question and Answer session on CICs at Nottingham CVS which was a good event with some very useful discussions. Sara also attended a project launch held by Community Enterprise Network held in Llancaiach Fawr in Nelson South Wales. Alun Davies A.M. and Geoff Thomas CEO of Time Banking Wales both presented at the event. The vision of the project is to galvanise and support a thriving sustainable enterprise culture amongst people in the valleys. The project aims to build 3rd sector

economic contribution and enhance social enterprise success rate. Sara enjoyed the event and felt the project had a lot to offer.

E3M European Conference

In March Sara attended the E3M European conference in Kettering at the invitation of Jonathan Bland (the M's stand for Money, Models and Measurement). Sara was there in the 'Models' capacity and was part of a workshop on this where it seemed CIC was very well thought of and a model that could be applied across Europe.

Social Enterprise Exchange

Sara flew up to Glasgow on 21st March for the Social Enterprise Exchange which is always a really good event. Informative and relevant, all the sessions were worth attending and Sara met up with many CICs to discuss any frustrations as well as successes.

Health Lottery Celebration

On 28th March Sara was invited to The Health Lottery afternoon tea at Claridges hosted by Simon Cowell and attended by celebrities such as Gloria Huniford and Kimberley Walsh. The afternoon was all about the 51 CICs that the Health Lottery supports, the money they have distributed and those who have benefited from it. The Regulator felt that there is a confidence in the knowledge that these companies are independently regulated and that they take a clear pride in their work.

5. CIC OFFICE NEWS

Annual Report

Great progress is being made on this years Annual Report and the final draft is in the process of being reviewed. All is on schedule for publication in July when you will be able to read or downloaded it from our website.

Complaints

We are constantly updating the way we deal with and record any complaints that we receive and this quarter has been no exception. With CICS continuing to grow apace on the public register it has been essential to streamline procedures, learn from previous working practices and responses and above all make sure that confidence is maintained in our CICs and the Regulators Office. The result of this hard work is an average turnaround of 5 working days from receipt of the complaint to closing the case.

We are delighted and proud to announce that once again not one complaint has been received against the Regulators Office during this financial year.

Examination Procedures

We continue to liaise with our colleagues in Companies House to try and ensure that the time taken to examine applications is as quick and efficient as possible and this quarter has been no exception. The team have had regular meetings with our colleagues in New Companies and we have tried out and adopted new ideas to ensure a shorter smoother process. We are extremely pleased with the new procedures but will be continually trying to find ways to further improve the process.

Website

We are continuing to update our website so that it meets Plain English Standards. We have now completed the Guidance pages and have reviewed the leaflets and these are being uploaded onto our website by IT as we speak. Although we have received numerous compliments about our site before this work was carried out, it is hoped that our visitors will find the site even easier to read and understand.

6. 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:

Cattleya formed in 2011 with the purpose of setting up the first ever Colombian Fruit Enterprise in a School to help increase UK demand for Andean fruits. They are a student-run CIC based at King Charles I School in Kidderminster and offer a range of alcohol-free beverages such as cocktails and healthy fruit smoothies. The fruit purées are ethically sourced from Colombia, and are supplied from Fruto del Espiritu to support the exotic fruit sector. One of the CICs aims is to help raise the profile of Andean fruits and develop a corporate identity to inspire young people to get involved in a recreational culture based on fruits, they hope to inspire Social Entrepreneurs with new students recruited each year on a rolling basis. The company is designed to be not only self-sustaining, but to generate profits to contribute for children in Colombia. In the short time they have been running they have already enjoyed great success, winning a number of awards including the FSB Worcester Award for Recognition of Business & Enterprise Achievement. They were also runner up in the 'Birmingham Made Me Design EXPO 2012.' Their website can be found at www.cattleyacic.co.uk.

Dizzy (Retail) converted to a CIC in 2005 with the purpose of raising awareness of diabetes in West Sussex. They do this via 'boutique' Bring & Buy shops. Their primary aim is to promote awareness of diabetes in the locality, their objective is to improve the lives of people with diabetes and their mission is to assist diabetics both supportively and financially! Dizzy is one of our flagship CICs and we are delighted at their continued success. This year

saw them open their fourth store in the village of Rustington, West Sussex. Their success has been duly recognised and they are proud to have won the Arun Business Partnership 'Marketing and Promotion Award 2011'. CEO Jools Chaffer received the Observer and Gazette Business Awards Business Personality of the Year award! Their website can be found at http://www.dizzy.org.uk/Awards_and_Accolades

My Time formed in 2008 with the purpose of providing professional counseling and support services in the West Midlands. Another of our flagship CICs, their vision is to develop a community based solution to increasing levels of depression, anxiety, low self-esteem and long-term mental health issues. My Time has grown steadily and developed a quality service that meets professional and NHS guidelines. It has won a series of awards including the British Association of Counseling and Psychotherapy (BACP) Awards for Innovation (2007) and Outstanding Contribution to Research and Development in Psychotherapy (2010). In 2011 they were listed in the Top 10 of UK Social Enterprises for Social Impact. In 2012 they won the Centre for Social Justice Award for Outstanding work to prevent family breakdown and the ICAEW National Finance for Future award for its innovation in finding new ways of social investment. On 15th November 2012 they received the West Midlands Social Enterprise of the Year Award (SE Profit) from Social Enterprise West Midlands. Their website can be found at www.mytime.org.uk

Community Health Advice & Training (CHAT) converted to a CIC in 2011 with the purpose of providing awareness and coping strategies training on anxiety, panic attacks, depression, bipolar and other mental health conditions. CHAT is a small social enterprise based in South Wales. They work to help educate individuals and their families through interactive awareness workshops. They have run several workshops in Cardiff and Rhondda Cynon Taff and are delighted to announce that their Lunch and Learn Workshops have received the backing of Geoff Cuthbert AM for Caerphilly and Councillor Jamie Pritchard. Further praise has been received from Geoff Thompson, BAFTA award winning writer, who recently sent an endorsement saying "I

think what you are doing at CHAT is little short of inspirational. I think your work can help to save souls, and I fully endorse your tireless and inspirational work.” Their website can be found at www.chateducation.com.

7. 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.

Beat This formed in 2010 with the purpose of using music and technology to help children, young people and adults with additional needs develop skills, interact and create through music. Having secured funding of £16,000 from [Comic Relief](#), [Microsoft Research Fund](#) and [Waitrose Community Matters](#), they are able to start building Peterborough’s 1st Community Music Studio where people will have the opportunity to learn, record and perform their music as well as gain qualifications in a professional recording studio

environment. They also received a 'Business of the Year Award' by Business in the Community and were chosen to receive an award from Anglian Water for services to the community. Their website can be found at www.beatthis.org

Camelot Country – converted to a CIC in 2009 with the purpose of investigating the regeneration requirements and opportunities within the town of Camelford and nearby villages in North Cornwall. Their key initiative this year has been the provision of low cost housing for local people as part of the delivery of their Community Strategic Plan. They have successfully purchased the land to build 14 affordable houses at the Sidings, Delabole, Cornwall. Loan Finance of £1,050,000 was obtained from the [Charity Bank](#), £300,000 from [Venturesome \(CAF\)](#) and £150,000 from [Cornwall Council](#). The homes will be for sale to local people and will be affordable in perpetuity at an affordable price; there will be some conditions on purchase and resale to enable the houses to be kept available for local buyers. Their website can be found at www.camelotcountry.co.uk.

Horses Helping People – converted to a CIC in 2007 with the purpose of providing therapeutic horsemanship for adults and children from disadvantaged backgrounds. They offer therapeutic sessions to people with mental health problems, autism, cerebral palsy, head injuries, multiple sclerosis, learning difficulties and animal phobias. They have been very successful in securing funding streams and in April they received their second £20,000 from the [Aylesbury Community Chest](#) which they used to provide revenue funding for therapeutic sessions. A [European Social Fund](#) grant of £11,000 in January enabled them to run their second set of 'Return to Work' courses for adults facing barriers to employment. They also received the following capital grants towards new facilities: [Buckinghamshire Social Opportunity Fund](#) £5,000, [Aylesbury Vale Project](#) grant £10,000, [Freemasons Centenary Fund](#) £6500. Their website can be found at www.horseshelpingpeople.co.uk

Kotuku CIC formed in 2010 and is an environmental consultancy focused on the construction and waste management industries and has announced that its project to help young unemployed Londoners find long-term employment in the waste industry. They have been awarded £238,000 from the [Big Lottery Fund](#). Hammersmith based Kotuku Environmental Labourer Project (KELP) trains unemployed Londoners – between the ages of 16 and 24 – to be ‘Environmental Labourers’ in the construction and waste management industries before finding them work opportunities in the appropriate sector. Participants also qualify with a Construction Skills Certificate Scheme (CSCS) green card and a Certificate of Environmental Awareness.

The Pavilion (Bentley) converted to a CIC in 2011 with the purpose of providing community services to the residents of North Doncaster. In partnership with Doncaster Council a successful bid was made to the [Heritage Lottery Fund](#) in 2011 for approximately £3million to regenerate the park and the Pavilion, which was originally built through Miners donations in 1931. The regeneration will include reinstating the lily ponds, band stand, entrances, ornamental gardens, new play areas, multi use games areas, and restoring the Pavilion which will be brought back to its former glory. The website can be found at www.bentleypavilion.co.uk

Health Lottery CICs - Across Great Britain, there are 51 CICs which have each been set-up to tackle health inequalities in their local areas. Each of the 51 CICs has a different name, two examples include HealthAble CIC operating in Cumbria and Northumberland and HealthLives CIC operating in East London.

The CICs work closely with charity Peoples Health Trust to distribute the money raised to organisations addressing health related issues in the specific communities.

Organisations supported include household charity names such as Mencap, Scope and Dementia UK, as well as many hundreds of small organisations supporting local people.

Alongside the financial support of local organisations, much work is underway to facilitate discussions with local leaders and organisations in each CIC area to help identify specific health needs and help determine how money could be spent to address the wider social determinants of health.

The 51 CICs are all licensed by the Gambling Commission and promote their own society lottery through The Health Lottery game. Each week, a different CIC takes a turn in raising funds from The Health Lottery with the draw and results broadcast on Channel 5 on a Wednesday and Saturday evening.

During the period January to March 2013, more than £3.5million has been distributed to local health good causes in Great Britain with an overall total of £33 million distributed since the initial set-up of the CICs in 2010.

To find out more about the work of the CICs mentioned earlier visit

www.healthablecic.org.uk<<http://www.healthablecic.org.uk>> or

www.healthlivescic.org.uk<<http://www.healthlivescic.org.uk>>

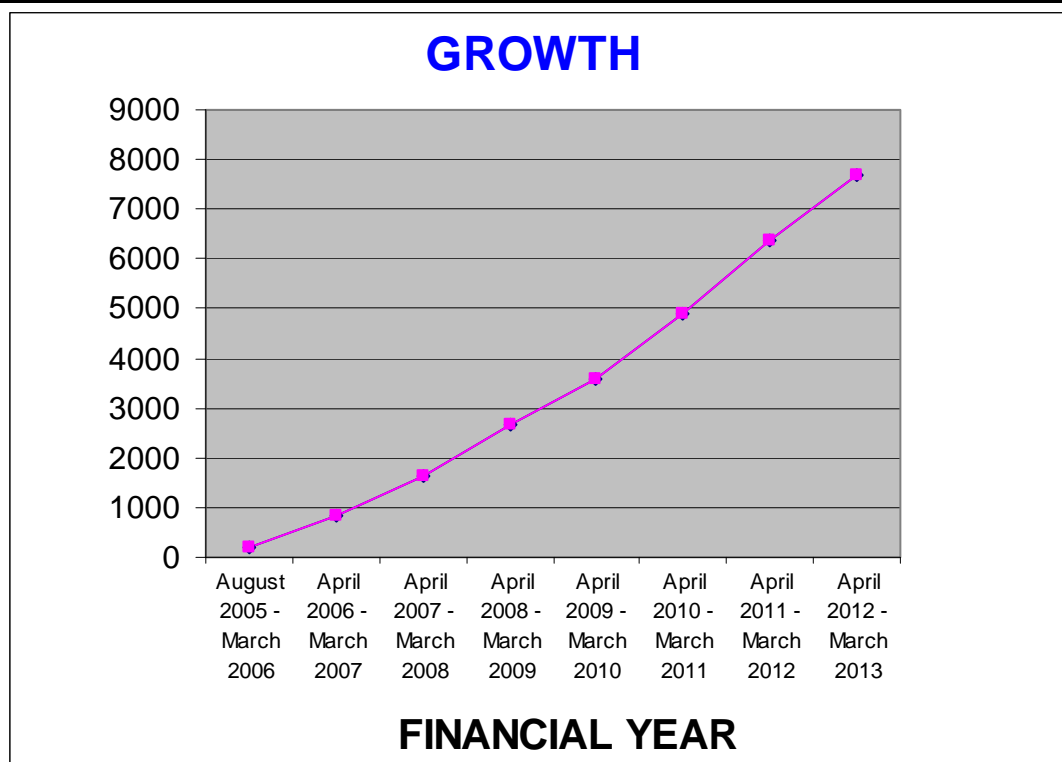
Other funders that have helped CICs over this quarter include:

FUNDER	AMOUNT £	CIC NAME
Governments Fuel Poverty Scheme	155,000	Warm Zone
Awards For All	10,000	Adventure Based Learning
Arts Council for Wales	5,000	Cilgwyn Theatre Company
Community Funding Programme	1,500	Keep Kids Active

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	2055	766	10	1279
Total	10041	2332	39	7670

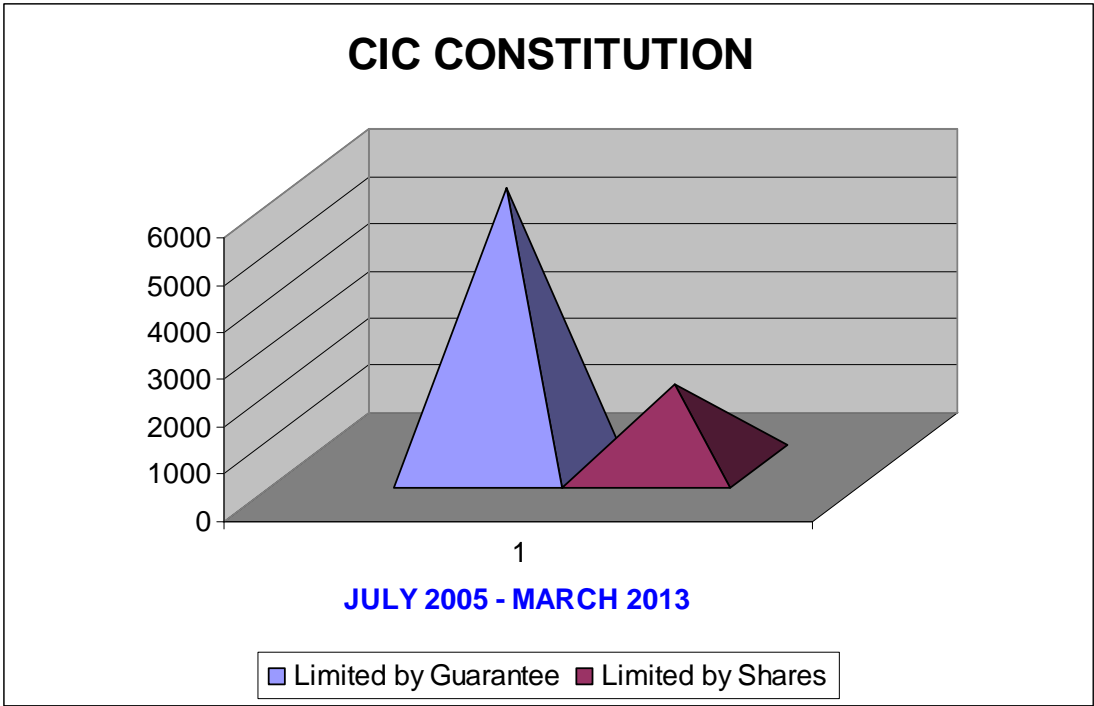


b) INCORPORATIONS AND CONVERSIONS

United Kingdom	
Incorporations	6738
Conversions	932
Total	7670
England	
Incorporations	6153
Conversions	853
Total	7006
Northern Ireland	
Incorporations	99
Conversions	10
Total	109
Scotland	
Incorporations	290
Conversions	45
Total	335
Wales	
Incorporations	196
Conversions	24
Total	220

c) CONSTITUTION

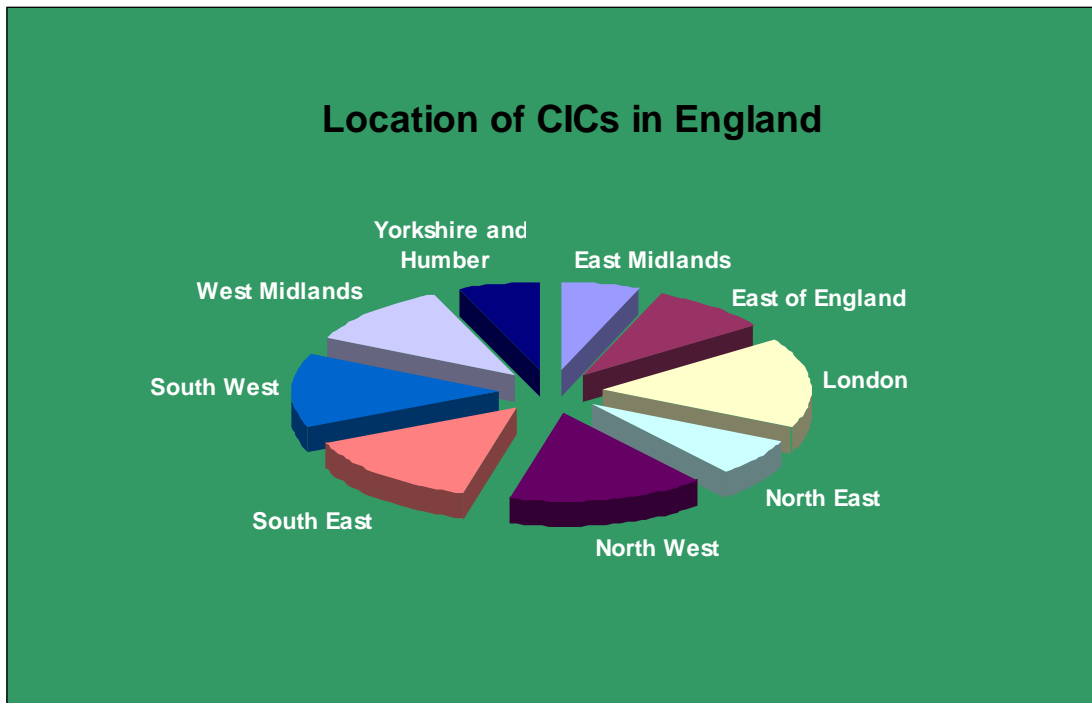
United Kingdom	
Limited by Guarantee	5908
Limited by Shares	1762
Total	7670
England	
Limited by Guarantee	5396
Limited by Shares	1610
Total	7006
Northern Ireland	
Limited by Guarantee	96
Limited by Shares	13
Total	109
Scotland	
Limited by Guarantee	236
Limited by Shares	99
Total	335
Wales	
Limited by Guarantee	180
Limited by Shares	40
Total	220



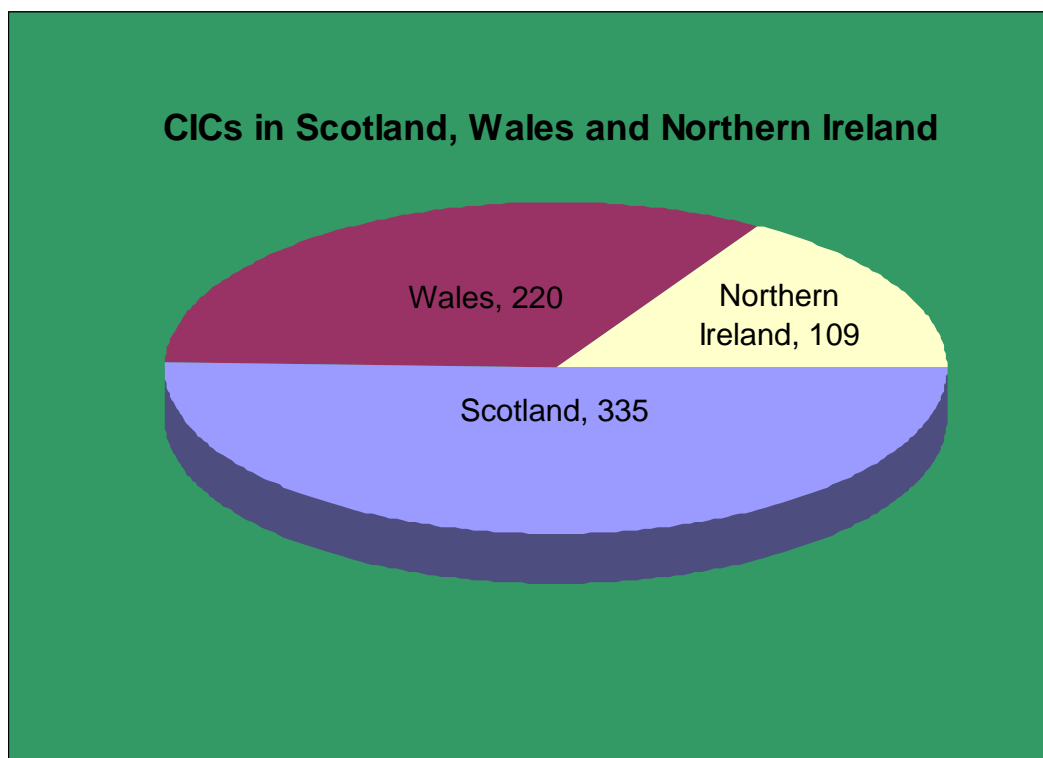
At the close of the period 77% of the CICs on the public register were limited by guarantee, with 23% limited by shares.

d) LOCATION OF REGISTERED OFFICE

	Number	%
East Midland	436	6
East of England	630	8
London	1178	15
North East	476	7
North West	1081	14
South East	1002	13
South West	931	12
West Midlands	830	11
Yorkshire and Humber	442	6
Total England	7006	92
Northern Ireland	109	1
Scotland	335	4
Wales	220	3
Total	7670	100



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 the Welsh Social Enterprise Coalition and visited Northern Ireland last year, building on her relationship with the Registrar for Northern Ireland and umbrella organisations.

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.

Financial Year	Number
2005 - 2006	0
2006 - 2007	18
2007 - 2008	262
2008 - 2009	789
2009 - 2010	1571
2010 - 2011	2259
2011 - 2012	3040
2012- 2013	4163

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	1659	1106
Previous quarter	2500	842

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