



**COMMUNITY
INTEREST
COMPANIES**

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

OPERATIONAL REPORT

First Quarter 2014 – 2015

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1. REVIEW

This quarter has been another very busy one for the Regulators Office.

The amendments to the Dividend and Interest Caps are due to come into force on 1st October 2014 and there has been a huge amount of preparation for this. These included Sara and our Policy Manager Phil Horrell running a workshop at Anthony Collins in Birmingham on 24 June 2014 to explain the changes. Representatives from a range of CICs throughout the area attended. There was a lively question and answer session followed up with a SWOT Analysis which addressed Strengths, Challenges, Opportunities and Threats. The motion to lay the amendments before the House of Lords will take place on 21st July 2014 and the debate for the House of Commons is due to take place on 2nd September 2014.

The team has been working hard on this years Annual Report which is due to be laid before parliament on 14th July and published shortly afterwards. We will announce the publication on our website.

The Regulator is celebrating 10 years of CICs in 2015 and will be holding events up and down the country. There will be 7 events in all, held in Wales, Northern Ireland, Scotland, West Midlands, the South West, South East and London. These are expected to be small occasions and all will be attended by the Regulator who hopes that the events will provide networking opportunities for CICs and also raise awareness of the brand.

The Regulator has been out and about attending many meetings conferences etc this quarter and some of these have been listed in section 4. Awareness.

We have profiled 6 CICs this quarter whose activities include music therapy, providing a hub for digital culture and forging ways to help people to find all things local eg local food, local money, to name just a few. Please see Section 5 for further details.

We have also listed just some of the CICs who have been successful in obtaining funding, the amounts of which range from £1000 to £1 million! Please see sections 6 below for details.

You will see in Section 8. Statistics that the number of CICs continues to grow year on year with a 368 increase this quarter. This is great news, proving that the CIC brand is gaining in popularity and awareness.

I hope you find the report informative and interesting.

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
Policy Manager:	Phil Horrell
Case Manager	Helen Huish
Case Manager:	Ann Hunt
Case Manager	Jaci Lewis
Case Manager:	Marilyn Liddon
Operational Support Officer:	Natalie Westgarth



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

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.

4. AWARENESS

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

April

- | | |
|------------------|---|
| 3 rd | Stephen Bennett –PHD Student Kings College London - Cardiff |
| 10 th | Karen Brady and Lord Digby Jones - Elite Business National Conference and Exhibition – London |
| 15 th | Stephen Lloyd - CICs code of practice Working Group – London |
| 23 rd | Karen Darby - CEO CrowdMission Ltd – BIS London |

May

- | | |
|------------------|---------------------------------------|
| 22 nd | NCVS Workshop in Nottingham |
| 27 th | EET CIC - Ian Dimmock in London |
| 28 th | Co-op Wales - Derek Walker in Cardiff |

June

10 th	MHA MacIntyre Hudson Accountants in London
16 th	Evolve 2014 – NCVO in London
18 th	Non Regulators Workshop in Birmingham
24 th	CIC Workshop in Birmingham
25 th	CIC Code of Governance in London
26 th	Tim Moss Registrar of Companies in Cardiff

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:

Chiltern Music Therapy was formed in 2011 with the purpose of providing music therapy services to people of all ages. They offer expertise in the fields such as learning disabilities, mental health, brain injury, dementia etc. As a result of their continued success they have taken on additional music therapists reflecting an increase in turnover and the number of referrals they have received. They have also started to develop their Brain Injury service reaching out to local stroke support groups and providing free workshops. They are delighted to have been nominated for Healthcare Team of the Year at the Pride of Bucks 2014 awards, the team are thrilled to have received recognition of all their hard work over the past year.

www.chilternmusictherapy.co.uk

EASI4communities formed in 2011 with the purpose of delivering improved social and economic outcomes for communities. EASI supports communities to run and design services for the benefit of their local area with a particular focus on community enterprise.

They delivered a number of workshops and seminars during the year to community groups, to support their development as more sustainable

community enterprises. They were delighted to secure a 'Community Champion Award' from the Vegetarian Society in partnership with one of the community groups that emerged from these workshops.

www.easi4communities.org.uk

FutureEverything formed in 2006 with the purpose of providing a hub for digital culture. They are an internationally recognised research and development hub, presenting industry conferences, innovation projects, artworks and live experiences which showcase a digital future. The annual FutureEverything Festival has been hailed by The Guardian as one of the top ten ideas festivals in the world. The 2013 festival was entitled 'The FutureEverything Summit of Ideas and Digital Invention' and took place in Manchester in March. The conference was completely sold out with over 600 people attending from as far afield as Singapore, San Francisco and New York. Speakers from Google, BBC, Vimeo, Kickstarter, Intel, Arup and Institute for the Future contributed to the two day conference, alongside leading internationally renowned artists and designers.

www.futureeverything.org

Jude Theatre formed in 2011 with the purpose of inspiring others to lift their aspirations using applied theatre. They work with community organisations and charities, with the aid of freelance artists, students and volunteers, to deliver short-term applied theatre projects. This has been a particularly successful year for the company which saw 'Jude's Young Drama Group', for 7 to 14 year olds scooping two awards. Firstly 'Best under 16s Devised Piece' at the Newcastle under Lyme Speech Music and Drama Festival and secondly 'Best Drama Piece' at The Bertarelli Foundation's Creative Minds Festival. Further successes include their workshop at Featherstone Prison. Here they delivered workshops with inmates in association with Stoke on Trent College.

www.judetheatrecompany.co.uk

Lets Live Local formed in 2009 with the purpose of developing locally based and managed infrastructure, services and initiatives for the community living

and working in Moffat situated in Dumfries and Galloway. Lets Live Local is forging ways to help people to find all things local eg local food, local money, local power etc. Moffat Online has been a particularly successful venture with the networking site continuing to expand and all site services are provided free of charge. The site provides event information and support to emerging community groups as well as Neighbourhood Watch notices. Another success has been their Lets Eat Local fruit and veg bag scheme which has now expanded to Dumfries as well as Moffat. Lets Buy Local has also developed a local directory to make it easier to find local businesses.

www.letslivelocal.co.uk

Watermark Experiences formed in 2011 with the purpose of organising and leading youth expeditions in the UK and abroad with a particular emphasis on whitewater rivers. They provide training and mentoring to young people in technical whitewater skills, safety and rescue, teamwork and leadership. They undertake expeditions all over the world, from the spectacular high altitude plateaus of North West India, to the pristine rivers of Norway, the wilderness of British Columbia and the warm rivers of Africa! These longer expeditions are guaranteed to provide a taste of real exploration and an unforgettable experience. Last year they organised and led a 10 day youth expedition to Norway offering young people the chance to experience some of the best whitewater in the world. www.watermarkexperiences.com

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:

Challenger Troop formed in 2007 with the purpose of providing uniformed military youth leadership and engagement programmes for vulnerable, disengaged young people between the ages of six and eighteen. Challenger provides an extensive range of programmes, utilising challenging personal development activities with a military ethos in a stimulating outdoor environment. These programmes are designed to engage young people and enhance their self-discipline, responsibility and attitudes towards others - they enable youngsters to develop confidence, self-esteem and life skills, whilst at the same time attaining nationally accredited qualifications. Challenger Troop is delighted to announce that the Department for Education has awarded a grant of **£1million** to expand their activities throughout London, the South and North West of England. www.challengertroop.org

Greenspaces South Cheshire (UK) formed in 2010 with the purpose of improving the Open Green Spaces for the community and wildlife of South Cheshire. Their work also incorporates training, personal development and the promotion of health and well being within the local community. Sherborne Urban Produce is their biggest and most successful project to date. With funding of **£23,000** from the Health Lottery and additional match funding they have developed the project to work with the community to improve health,

well-being and the skills/knowledge base in one of the most deprived areas in Cheshire East. The project has dovetailed well with the work with NEETs who have played their part by assisting in the infrastructure for the project through constructing planters, raised beds and chicken hutches!

www.dabbersnantwich.me.uk/Greenspaces%20index.htm

Horses Helping People converted to a CIC in 2007 with the purpose of providing a therapeutic horsemanship centre in Buckinghamshire. Therapeutic horsemanship benefits a wide range of adults and children, including those with behavioral challenges, mental health problems and learning difficulties. HHP also run training courses for people interested in therapeutic horsemanship or equine facilitated learning as a career or who would like to learn more about therapeutic horsemanship to inform their existing profession. In April 2013 they received their third **£20,000** from the Aylesbury Vale Community Chest to provide revenue funding for the therapeutic sessions. They also received a capital grant towards new facilities from Bucks Community Foundation of **£1,000**. www.horseshelpingpeople.co.uk

Say it Loud formed in 2009 with the purpose of helping young people pursue an interest in the creative arts. They actively encourage the personal development of young people by providing talks and workshops in schools and youth clubs, mentoring young people and hosting events. This year they received total funding of **£15,000** which they put to good use offering free violin, African Jembe Drum and saxophone lessons to students at Raine's Foundation Secondary School in Tower Hamlets. They also put on a spectacular entry in the Lord Mayor's Show and recruited dance, theatre and stage design students who helped dance and build the float! They hosted an event to showcase their work with the young people involved and also made a documentary about their involvement in the Lord Mayor's Show. Success from the Lord Mayor's Show led to a performance for Tower Hamlets Council at the Brady Arts Centre and also for International Women's Day. www.say-it-loud.org.uk

Synergy (Grimsby) formed in 2010 with the purpose of providing video and audio production services. Synergy has a talented team of camera operators, video editors and directors that work out in the community helping local people realise their media ambitions. They were successful in securing **£48,500** from the Heritage Lottery Fund for an exciting project “Your Country Needs You(th)”. Led by volunteers from the local community the project focuses on commemorating the young men from Grimsby and Cleethorpes who signed up to fight in the First World War as Grimsby Chums, a battalion of men whose first active battle was at the Somme! The project will enable local young people to discover who these Grimsby Chums were and what their role was in the Great War and why they fought for their country. The young people will be presenting their findings in a variety of media including a war memorial map and short documentary movie about the Grimsby Chums. www.synergygrimsby.co.uk

You’re Amazing converted to a CIC in 2009 with the purpose of empowering women. They have programmes to suit women of all ages and this year they secured their most significant piece of funding to date with **£120,000** from the Big Lottery Reaching Communities Fund. These monies will support their flagship Butterflies programme for the next 3 years. Butterflies is an inspirational 12 week programme that helps women to build confidence, feel better about themselves, learn to manage their emotions, develop skills that can be shared with their family and make positive changes in their life. They have also created an anti bullying campaign DVD and are currently working on a body image campaign for young women to educate about self esteem, the impact of the media and self harm. www.youreamazing.co.uk

Other funders that have helped CICs include:

FUNDER	AMOUNT £	CIC NAME
Awards For All	9,000	Chichester Community Fencing Club
Performing Arts fund	9,350	Core Music
Big Lottery	10,000	Bevan Healthcare
European Social Fund	12,000	Orchard Barn Environmental Education Centre (OBee)
Hampshire County Council	16,700	Breakers

7. Completing the form IN01

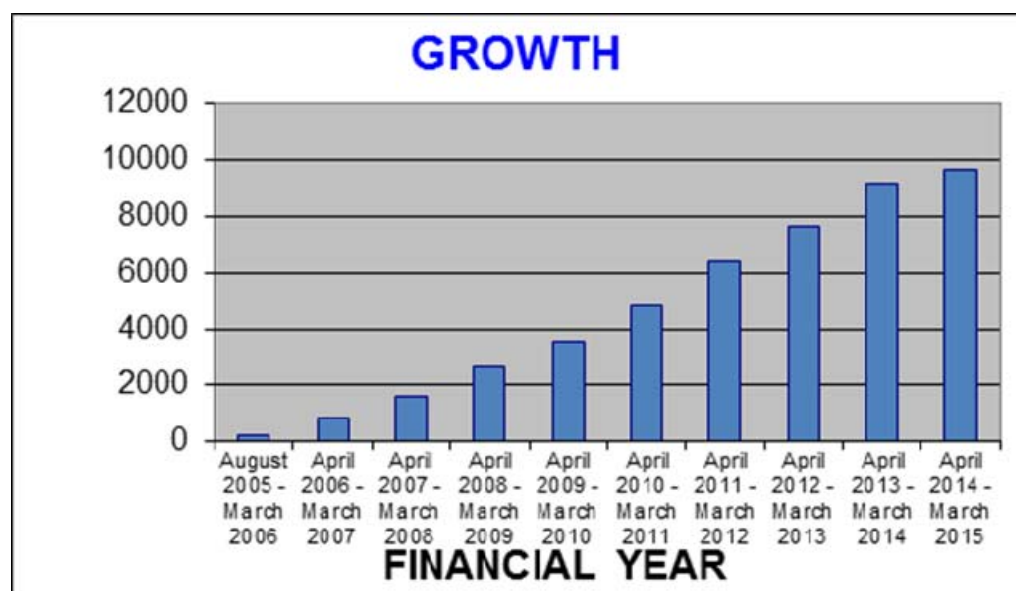
In our experience, applicants find the completion of the form IN01 the most hazardous. A massive 80% of all rejections of applications are through errors on this form. The most common errors are the completion of sections A1 Company Details, A3 Exemption from name ending with Limited, and A7 Articles 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	2055	765	11	1279
2013 - 2014	2494	976	11	1507
2014 - 2015	619	250	1	368
Total	11636	3557	52	9545

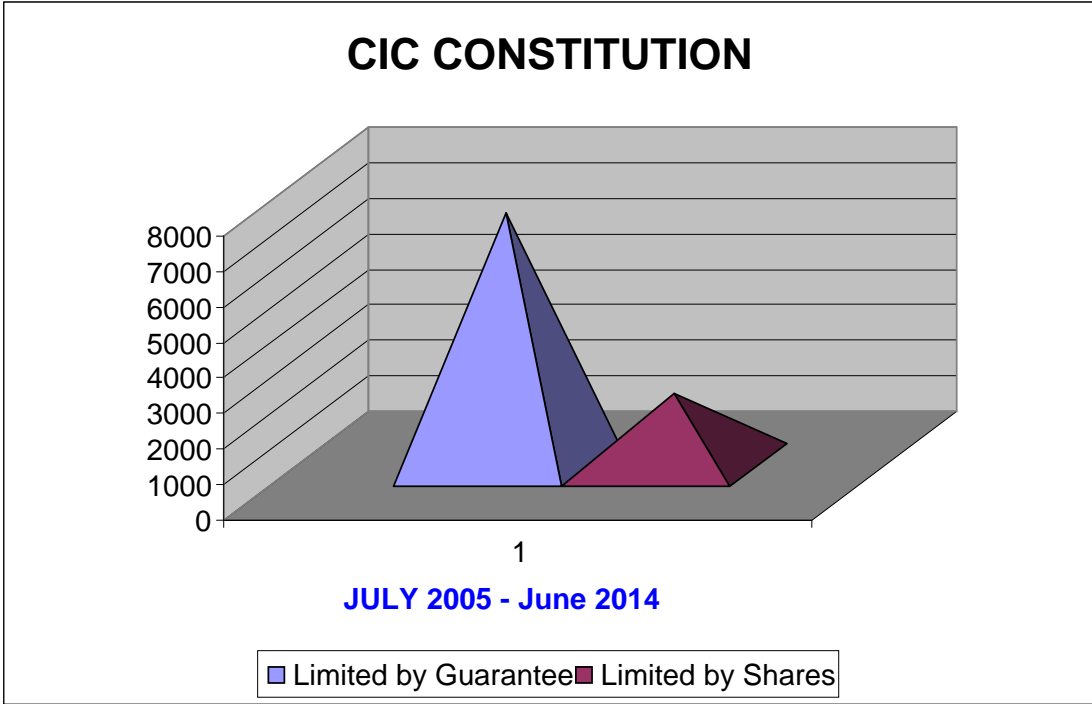


b) INCORPORATIONS AND CONVERSIONS

United Kingdom	
Incorporations	8345
Conversions	1200
Total	9545
England	
Incorporations	7566
Conversions	1108
Total	8674
Northern Ireland	
Incorporations	125
Conversions	15
Total	140
Scotland	
Incorporations	388
Conversions	54
Total	442
Wales	
Incorporations	266
Conversions	23
Total	289

c) CONSTITUTION

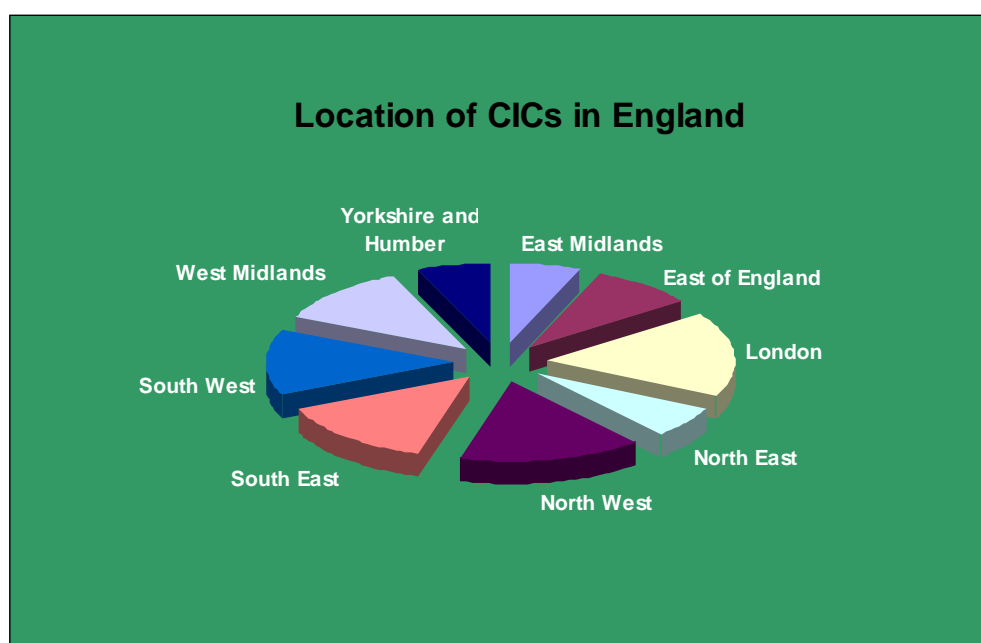
United Kingdom	
Limited by Guarantee	7440
Limited by Shares	2105
Total	9545
England	
Limited by Guarantee	6748
Limited by Shares	1926
Total	8674
Northern Ireland	
Limited by Guarantee	121
Limited by Shares	19
Total	140
Scotland	
Limited by Guarantee	324
Limited by Shares	118
Total	442
Wales	
Limited by Guarantee	247
Limited by Shares	42
Total	289



At the close of the period 78% of the CICs on the public register were limited by guarantee, with 22% limited by shares.

d) LOCATION OF REGISTERED OFFICE

	Number	%
East Midland	527	6
East of England	737	8
London	1493	16
North East	543	6
North West	1365	14
South East	1213	13
South West	1160	12
West Midlands	1071	11
Yorkshire and Humber	565	6
Total England	8674	92
Northern Ireland	140	1
Scotland	442	4
Wales	289	3
Total	9545	100

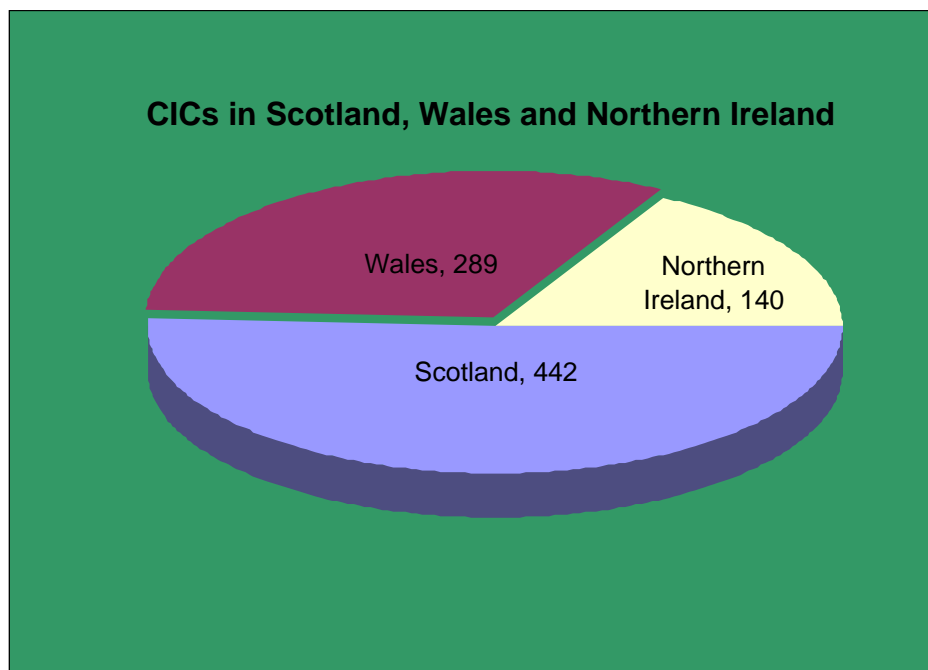


e) CICS IN SCOTLAND, WALES AND NORTHERN IRELAND

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 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!



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
2013 -2014	5245
2014 - 2015	1182

9. ADMINISTRATION

In the this first quarter 2014/15 the Office of the Regulator of Community Interest Companies has dealt with the following number of enquiries:

	Telephone	E-mail
Current quarter	617	519

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