

Regulator of Community Interest Companies



Annual Report 2015/2016



**COMMUNITY
INTEREST
COMPANIES**

Regulator of Community Interest Companies

Annual Report 2015/2016

Presented to Parliament pursuant to schedule 3, section 7 of the Companies (Audit, Investigations and Community Enterprise) Act 2004.

The Office of the Regulator of Community Interest Companies (CICs) is part of the Department for Business, Innovation and Skills.



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Our Mission Statement

Mission

To ensure effective regulation and provision of information to support the growth of community interest companies in the UK.

Vision

That community interest companies are recognised and trusted by society for serving our communities with integrity and excellence.

Objectives

1. To build public confidence in CICs through effective impartial regulation and provision of information.
2. To develop strong links with key organisations to ensure an integrated approach to regulation.
3. Pro-actively instigate and support activities that will develop the profile of community interest companies, ensuring awareness of the CIC model.
4. To be able to demonstrate good governance and pro-actively manage risks.
5. To ensure those affected by the regulation of CICs are highly satisfied with our services.

Foreword by Ceri Witchard

Regulator of Community Interest Companies

This foreword marks an important milestone for me, it is my very first as the Regulator of Community Interest Companies. In September 2015 I stepped into the shoes of Sara Burgess. These were big shoes to fill. Sara was the Regulator for 8 years and had successfully steered the sector from its early days to the vibrant and confident sector it is today.

For me this has been an exciting 6 months. Social enterprise is a growing area of the UK and world economy, and there is increasing interest in the idea of businesses that 'do good', rather than businesses that simply make money.

The CIC model has become well established in the last 10 years as an excellent vehicle for those looking to create a business with community interest locked in right from the start. I have met many wonderful people, with a huge range of experience in many diverse business types and learnt about the great work done by CICs across the country, including a few in my own home town.

Throughout the last few months I have been supported by an excellent team. The staff within the Office of the Regulator are expert in their work and have the enthusiasm and drive to support the sector as it goes from strength to strength. In the past year they have driven down costs whilst managing the growing size of the CIC register.

They have explored new ways of communicating the work of CICs and better ways of serving our customers. During my time as CIC Regulator I have a number of key goals. I want the Office to be recovering all of its costs, through improved efficiency and the growth of the CIC register and I am confident this is achievable. I want us to be promoting the CIC brand to more people, ensuring the CIC model is understood and properly used to support social enterprise in the UK. Most of all I want us to be offering first class service to the CIC sector, developing online options for incorporation and filing of accounts to reduce errors and improve the ease with which a CIC can be created and run.

On her final day Sara asked me to take good care of her 'baby'. I promised her I would, and I intend to keep that promise. I am looking forward to taking the CIC sector forward, building on Sara's excellent foundations. This is my first annual report, and I hope with each I can report on our continuing success.

The Regulator, Ceri Witchard with the Community Interest Companies Team



Executive Summary

This has been a year of great change for the Office of the Regulator of Community Interest Companies. September 2015 marked the end of the tenure of Sara Burgess as Regulator, and the arrival of Ceri Witchard as our new Regulator. Whilst this has brought a slight shift in the work of the Office, our vision remains the same. That is to ensure effective regulation and provision of information to support the growth of community interest companies in the UK.

During the course of the year we have identified a number of cost savings, driving down our cost base by 8%. These savings are in relation to our accommodation, use of travel and associated office costs, so have had no impact on the service we are able to provide customers. As many of these costs were introduced part way through the year we anticipate larger savings being achieved over the whole year, so we should see a further cost reduction in the coming year. Against the backdrop of decreasing costs, we also have a growing register, the number of CICs on the register rose by 12% this year and the team approved 2,727 new CICs.

We have taken steps towards increasing our digital communications. We are making our twitter account more interesting and varied as a way of sharing information across the sector, highlighting achievements or spreading best practice. Alongside this we have been working with the government digital service to develop a blog for the Office of the Regulator. In coming years this will provide a way of showcasing the many varied approaches used by CICs to deliver a community benefit as well as sharing information on the work of the Regulator and her office.

Diversity within the CIC sector remains a key feature. We have CICs operating in all forms of business, but this year has seen a particular interest in the area of renewable technology. There have been concerns raised about the legitimate community interest these companies may offer. However, it is important to note that green technology is an area of growth for the UK, and we would not want to see the CIC sector excluded from the opportunity to deliver real benefit. The Regulator has used her powers to make sure that directors of these new companies are aware of their responsibilities and will continue to monitor this area.

8%
reduction in
spend compared
to last year

2,727
new CICs established
this year

12%
growth in
number
of CICs on
register

57%
of spend
recovered this year

TOP TWEET

total number of CICs on public record

11,922

CICs on
public record



369,071
pages viewed
in one year

150%



248,400
website
visitors

Finance

The Regulator's Office is run by staff from the Department for Business, Innovation and Skills (BIS) under BIS terms and conditions. BIS systems and controls are in place across the board.

The fee to incorporate a community interest company or to file a community interest report was set at a rate comparable to company incorporations and the filing of foreign accounts. The fees are payable to the Registrar of Companies on delivery of the documents relating to the listed events. The fee is transferred to the consolidated fund to cover an element of the Regulator's costs.

The Regulator is committed to securing efficiencies and continued to take measures to reduce our spend throughout the year.

As a result of the efficiencies the Office has spent 8% less than in 2015. This is a considerable achievement given that savings have been realised in the face of increased applications and workload and have not impacted on the level of service provided by the Regulator and her team.

At the present time the Regulator is recovering 57% of her costs. The Regulator aims to achieve full cost recovery within the next 5 years.

The measures that we have taken throughout 2015/16 include:

- introduction of digital based communications to reduce travel costs of face to face
- closer working with Companies House regarding fees recovery
- holding more meetings and telephone conferences in Cardiff
- delivering presentations and workshops at our office, rather than off site to reduce travel costs
- arranging meetings to coincide with off peak travel wherever possible

(a) Expenditure	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
31 March	267,000	290,000	285,000	280,000	290,000	340,000
(b) Income						
Formations and Conversions	2,727	2,569	2,494	2,070	2,087	1,824
CIC Reports	7,513	6,189	5,259	4,163	3,040	2,259
31 March	153,000	131,000	112,000	95,000	77,000	61,000
(c) Percentage of Income against spend						
31 March	57	45	39	34	26	18

Applications, Growth and E-enablement

This year the CIC office processed 3,294 applications. These included incorporations and conversions which are both limited by shares and/or guarantee. Of those applications received 2,727 were approved and placed on the public register which is an increase of 6% on last year. England is leading the way at 88% of CICs being based here, with Scotland, Wales and Northern Ireland making up the remaining 12%. We are confident that as the CIC brand continues to flourish the number of organisations wishing to become CICs will continue at pace.

The most common sectors include health, education, renewable energy, sports and the arts. However, we also have our fair share of the things you would not necessarily expect such as allotment associations, flying lessons and steam and vintage shows.

Forming a CIC is a two step process involving both the Regulator of Community Interest Companies and the Registrar of Companies. Applications are examined by both and where queries are identified the documents are returned to the customer with an explanatory letter. Currently applications can only be submitted on paper and the process takes approximately 10 to 15 working days to complete.

Growth

The number of community interest companies on the public register continues to grow and we saw a 12% increase compared to last year. We have seen those wishing to convert to CIC status increase by an impressive 37% on last year's figure. This year saw applications in the sector for renewable energy coming to the forefront with the Regulator broadening the scope of information required in order to satisfy herself that such organisations fully understand and meet the requisite conditions of the community interest test. Even though a 'light touch' regulator our primary concern is that community benefit is clearly demonstrated.

Proportionally fewer CICs dissolve after 21 months than ordinary companies and this is a positive indicator for CICs. When you consider that, when created, the government expected the Regulator's office to receive no more than 200 to 300 applications each year, we have exceeded all expectations. What is our forecast for the next decade? Well, with over 5,000 added to the public register in the last two years we expect this trend to continue and would anticipate there being around 30,000 CICs delivering community benefit throughout the UK by 2026. We are confident that e-enablement will also play its part in helping to drive this forward.

E-enablement

Great strides have been made in e-enablement within Companies House and CICs have been keen to enjoy the benefits that digitisation offers. The issue of CICs and e-enablement had been taken forward by the previous Regulator, Sara Burgess, but Ceri has taken up the mantle and pressed forward steadfastly to get this process available for CICs. Within the next year we expect both incorporation and the filing of the CIC Annual Reports to be available digitally. We are working closely with Companies House to make sure that new digital services provide our customers with a good experience.

Community Interest Report

Under CIC legislation, every CIC must file a community interest company report. This is delivered to Companies House each year with the CIC's accounts and the relevant fee. The accounts, report and fee must be filed together, if they are not, they will be rejected. It is important that CICs deliver these documents to Companies House in good time to avoid late filing penalties.

The report details the activities the CIC has engaged in over the last year and the benefit it has delivered to the community. It also provides information on stakeholder involvement, directors' remuneration, dividend payments and transfer of assets. The Regulator sees the completion of this report as an opportunity for CICs to showcase the excellent and diverse work that they do. The community interest report also demonstrates to the Regulator and the general public alike that the company is continuing to satisfy the community interest test and delivering benefit to the community. The report, which is placed on public record, provides assurances to the CIC's stakeholders that the CIC is doing what they set out to do and are engaging in qualifying activities.

CICs are in a privileged position in being able to complete a report of this nature and having it placed on public record, ordinary companies do not enjoy this facility and the Regulator encourages every CIC to make the most of this opportunity.

The reports can now be downloaded for free from the public register which is maintained by the Registrar of Companies. If anyone wishes to learn more, or has concerns about, the activities of a CIC, they can access these reports.

The good news is that over 95% of CICs take advantage of the opportunity to tell us about what they have done. This year we received over 7,500 reports, a 17% increase on reports filed the previous year.

The Regulator recognises that CICs continue to operate in difficult times and funding streams are increasingly hard to access. We also recognise that being a CIC alone does not guarantee success but the reports demonstrate time and time again that funding is being secured by many CICs. Funders favour CICs that are able to measure their social impact, understand their market and can demonstrate strong governance.

After 10 years of operations there is a growing realisation that the report offers an important insight into how CICs are developing as a business model. We are fortunate to have available such a huge body of evidence which tells the story of CICs and the wider social enterprise movement and the Regulator is pleased to see an increasing number of academics and students taking advantage of this free data. Recent research papers have looked at the geographical spread of CICs, innovative practices peculiar to CICs and social cohesion.

Social Enterprises: 10 Years On

Commentary by :

Professor Catherine Wang

School of Management

Royal Holloway University of London

The Community Interest Companies (CICs) sector has seen a phenomenal growth in the UK since 2005. Social enterprises have made considerable contribution to both economic and social value creation. While celebrating the diversity and prosperity of the sector, several key challenges and opportunities for the future can be identified.

Honing business models for growth. The past ten years have seen many social enterprises well established in their communities. Their challenge is how to scale up their businesses, especially given the resource constraints in the sector and the nature of personalised products and services highly tailored to the community needs. Social franchising has been brought to the table as a cost effective way of growing a social enterprise and maintaining a personal touch. Social enterprises that are geared up towards growth would benefit from hands-on support on business models and development.

Leveraging resources for the grassroots. Many social enterprises operate on a very small scale, due to the nature of niche products or services and resource constraints, especially the difficulty of accessing finance. Resource bricolage enables grassroots social enterprises to cross the 'valley of death'. In addition, the misperception of social enterprises as wishy-washy do-gooders remains among parts of the private and public sectors. Some social entrepreneurs feel that they have to work that much harder to establish themselves in a commercial world.

Consolidating reputation and impacts. Social enterprises need to balance the dual demands - doing good and doing well financially. There is a risk that commercially successful social enterprises may drift away from their social missions. Firmly steering the social mission at the very core of a successful business is key to cementing the reputation of social enterprises. There are also opportunities for successful social enterprises to take the lead in consolidating impacts that are fragmented at the grassroots level.

Disseminating best practices. There is scope for successful CICs to disseminate their business models and practices among the wider community - nationally and internationally, especially in developing countries that are in need of guidance on CICs. Opportunities are there for influential CICs to engage and lobby various stakeholders in both public and private sectors, to shape policy, practice and research, to attract talents into the sector, and to create a stronger impact of the sector.

Social enterprises' pursuit of a social mission with a business-like discipline has inspired both private and public sectors. Public sector organisations have embraced the public-private partnership model to inject entrepreneurial energy. Private sector organisations have become increasingly committed to social responsibility. The B-Corporations initiative is a testament of this. The next ten years should see CICs build on their success into a new era of growth.

Using the Community Interest Company to Transform Essential Services – the Evolutionary way forward?

Professor Simon Denny Director of Research, Impact and Enterprise - University of Northampton

Revolutions are overstated. Whether they are October, Orange, Spring or Velvet they seem to end in tears. History teaches us not to trust the revolutionary.

But..public services are facing a crisis. Local government budgets have had massive cuts while statutory services (safeguarding and wellbeing) still have to be delivered. NHS budgets face increasing pressure due to inexorably rising demands and increasing expectations. Isn't a revolution in public services delivery required?

In Northamptonshire social innovators from local government, the NHS and the local university are responding to the need to maintain (and improve) public services by working together to form new organisations to provide essential services. These new organisations are driven by a need to be innovative, entrepreneurial and, crucially, committed to delivering social objectives.

In Northamptonshire we have multi-partner evolution and the first creature to emerge is a Community Interest Companies, and it is a big beast.

On 1 December 2015 First for Wellbeing CIC was launched in Northampton, at an event attended by Phillip Horrell from the CIC Regulator. First for Wellbeing is a joint venture between Northamptonshire County Council, Northamptonshire Healthcare NHS Foundation Trust, and the University of Northampton. It brings together the health, wellbeing and research resources and expertise of the three partners to find innovative ways to support improved wellbeing outcomes in Northamptonshire.

First for Wellbeing will invest in prevention and education initiatives to empower the individual to make healthy choices supported by effective wellbeing services. When it starts providing services on 1 April 2016, First for Wellbeing will have over 1,000 staff and an annual turnover of over £40 million.

The new CIC represents an innovative, evolutionary approach to service transformation. At the heart of the new company are traditional public sector services (including libraries and country parks), integrated with research that identifies best practices in effective wellbeing services, and health and wellbeing professionals. The Council, the University and the NHS are working together to put Northamptonshire at the forefront of national developments in wellbeing.

The CIC model is key to the partnership. The requirement to deliver social objects, and the asset lock, means that First for Wellbeing is demonstrably not the 'privatization of the NHS'. The requirement to run a solvent business forces the partners to be entrepreneurial. In Northamptonshire the CIC is an evolutionary force for public service transformation, and First for Wellbeing is just the first to emerge. Watch this space!



CIC case studies

CIC CASE STUDIES...CIC CASE STUDIES...CIC CA

Case Study submitted by :

Julia Clarke, Chief Executive, Bristol Community Health CIC

company number: 07582710

Case Study submitted by :

Professor Simon Denny Director of Research, Impact and Enterprise at First for Wellbeing

"Bristol Community Health is a relatively new CIC which spun out of the NHS in October 2011. We provide NHS health services to the people of Bristol in their own homes and community settings. Our passionate staff deliver around 30,000 high quality patient contacts per month and treat one in three of Bristol's over 65s. With every year that's passed since we became a CIC, our organisation has gone from strength to strength. In May 2015, commissioners extended our contract by another four years until September 2019. In 2014-15, our total trading income was £48,085,488. We generated a surplus of £1,478,000 and as a not for profit social enterprise, we reinvested all of it back into our services for the benefit of our local community. Over the last year, 95% of our patients were either likely or extremely likely to recommend our services.

As a CIC, our organisation benefits from:

Clarity of social purpose and a clear sense of direction. Our vision is that all of our communities will lead Bristol Community Health CIC happier, healthier lives. The CIC asset lock ensures that any profit we make is reinvested back into our services. This means that our decision making is influenced by our social purpose – and nothing else. Improved engagement with staff. Our organisation is 100% owned by staff and 75% of our staff are shareholders.

Shareholders have the right to vote on important decisions such as pay and an ability to influence the decisions we make at a strategic level. However, we don't pay dividends because we don't exist for profit, we exist for local people. Our elected staff council conducts an annual Board evaluation and has appointed 5 non-executive directors including the Chair. We have also changed our articles to provide a place on the Board for our Staff Council Chair. Improved reputation amongst local stakeholders and the public.

Our status as a CIC clearly communicates our community values and purpose. This in turn helps others to see us as a trusted provider – we deliver services for social purpose, rather than profit. Bristol Community Health CIC

Although it's difficult to attribute all of our reputational success to our CIC status, our partnership working has grown exponentially over the last year. We've also gained national profile – in 2015 we were shortlisted for two Social Enterprise UK awards and were highly commended in the category of Employee Owned Organisation of the Year in the EOA awards.

Flexibility to embrace innovation and change. Our team has an appetite for new ways of working. At a recent engagement event, staff held group discussions on fostering a culture of innovation. Innovation is also one of our eight organisational values. This appetite is starting to pay off. Over the last two years we've explored mobile working to free up time for our staff to care. In 2015 we attracted funding for a cutting edge project which supports patients to self-care more effectively through technology, education and a clinical hub. The project had fantastic outcomes and we're now looking to attract further funding to roll out the approach out across Bristol.

In October 2016 we will celebrate our 5th birthday as a social enterprise and CIC. We are planning a large stakeholder event to celebrate our journey and success to date. Working within a CIC has many different positives which we've wholeheartedly embraced.

**Navigo Health and Social Care CIC-
company number: 07458926**

Incorporated: 02 December 2010
Turnover to 31st March 2015: £23,371,200
Company type: Limited by Shares

NAVIGO Health and Social Care Community Interest Company is a not for profit social enterprise that emerged from the NHS, to run all local mental health and associated services in North East Lincolnshire.

They have all the services you would expect of a mental health provider including acute facilities, but also specialist services such as systemic family therapy, DBT team, highly developed employment and training services running our own and other peoples ancillary services (catering, cleaning, maintenance etc) creating jobs and training for people with mental health problems, eating disorder and many more. They designed the services in conjunction with people who use them and as such many are bespoke.

They are truly unique in that they have a voting membership giving service users and carers equal rights to staff. They strive to provide services that they would be happy for their family to use, in partnership with the people who know their services best, their staff, their service users and carers.

They are national top scorers for many indicators thanks to the innovative design of not just their physical buildings, but the ways in which their services work fluidly around them.

Against a background of national service cuts, by working smarter, reducing waste, ensuring everyone relates directly to those who use the services and are therefore more efficient, having less managers and bureaucracy, they have managed to not only save significant sums required of them, but also generate a surplus to reinvest back into their services.

They will keep trying, being more flexible and changing the way they do things to create reinvestment each year, giving their members a real voice in the development of their local services and creating a service which is truly part of the local community.

Provide CIC - Company Number 07320006

Incorporated: 20 July 2010
Turnover to 31/05/2015: £54,485,750
Company type: Limited by shares

Provide is a community interest company (CIC) which delivers a wide range of community health services in Essex, as well as in outer north east London, Cambridgeshire and Peterborough.

They work from a variety of community settings, such as three community hospitals, community clinics, schools, nursing homes and primary care settings, as well as within peoples' homes to provide over 50 services to children, families and adults. They have an income of approximately £54 million, employ over 1,100 people and serve communities with a total population of more than 1.9 million people.

It allocates awards from the Provide Foundation, an endowed fund which the organisation established with Essex Community Foundation (ECF) in 2012. In 2015, grant funding totalling £90,441 was given by the Provide Foundation to projects aimed at improving the health and wellbeing of local people. The funds were presented at a special awards ceremony and the money was shared between 21 voluntary and community organisations for health-related projects.

Left to right: Derrick Louis, Chairman at Provide, Jo Hockey, Headway, John Niland, Chief Executive at Provide



Dissolutions

The number of CICs dissolving between April 2015 and March 2016 is 1,433.

We know that the majority of CICs that dissolve, do so within the first two years of incorporation. The most common reason cited is the inability to obtain investment and funding.

Although many of our CICs are successful in their funding applications there are those that are not and anecdotal evidence suggests that this is more to do with the CIC meeting the requirements of the funders than the CIC model itself. Those that are successful tend to have a strong business plan, are able to demonstrate good corporate governance and target funders that are most sympathetic to their activities.

Many CICs that dissolve have never traded or have been dormant since incorporation. This is not to say that there has not been any activity within the company.

Many of the community interest company reports state that whilst dormant, the CIC has not been inactive. Many engage in research or have been seeking suitable premises to operate from or have been applying for funding and grants.

We have identified a link between those CICs that have been the subject of a complaint and their subsequent dissolution. Complaints that are made about directors' disputes, poor governance or internal disputes tend to be a sign that all is not well within the CIC and while we may not take action, it is not surprising that the CIC chooses to close.

The last few years have been challenging times for all companies, including CICs, and we have found that if a CIC can survive its first two years the chances of success are greatly improved. Indeed of all CICs that were incorporated in 2005/6, 37% are still on the register. This is a positive indicator for CICs

Complaints

The most frequently received complaints centred on the conduct of directors and delivery of community benefit along with financial mismanagement and unpaid invoices. We received very few complaints about asset transfer which we were pleased to note. There were no complaints made against the CIC Office.

Below you will find details of some of the types of complaints we deal with:

- a director discussed sensitive information about a client in public which was considered inappropriate
- a CIC that excluded members of the community from an after school club
- mismanagement of funds without the knowledge or consent of all directors

During 2015/16 the Regulator received 53 complaints which was 4 less than last year. The Regulator investigated each and every complaint and where appropriate gave the directors an opportunity to address the concerns that were raised. The Regulator found that the majority of the complaints were resolved at the first point of contact. We found that the directors were either able to properly explain their position or take reasonable measures to resolve the situation to our satisfaction. The remaining complaints took a while longer to resolve before the Regulator was satisfied that appropriate action was taken to resolve the situation to our satisfaction.

The Regulator's Complaints Policy can be found on the homepage of our website. The Regulator's first consideration is always proportionality i.e. what level of investigation or enforcement would be appropriate and in the public interest. Key to these considerations is the need to maintain confidence in community interest companies.

As a light touch Regulator we use our powers of enforcement sparingly but they are significant and if we need to take action against a CIC we will use them. We have worked closely with other bodies such as Companies Investigation Unit in the Insolvency Service and the Trading Standards Service where it may have been appropriate for them to exercise their powers. The Regulator has a policy of liaising with related parties at the outset to ensure that they as the lead regulator are aware of any concerns and exercise their powers appropriately.

In closing we are pleased to report that with just under 12,000 CICs on public record, this year we have received complaints on just 0.44%

Nature of complaint	Numbers
Activities	3
Against the CIC Office	0
Asset lock	0
Asset Locked Body	1
Asset transfer	1
Community Benefit	6
Confusion CIC or Charity	3
Contractual Matters	2
Directors Activity	3
Directors Conduct	7
Directors Dispute	2
Dissolved CIC	2
Family Dispute	0
Financial Mismanagement	6
Fundraising	0
Governance	3
Internal Matter	2
Level of Service	3
Not Regulators Remit	0
Not a CIC	2
Political Activity	0
Rival Company	1
Social Media	1
Unpaid Invoice	5
Unpaid Salary/Fee	0
Total	53

Report of the Official Property Holder

Foreword Phillip Horrell Official Property Holder

1. In discharge of my responsibilities under Schedule 5 to the Companies (Audit, Investigations and Community Enterprise) Act 2004 ("the Act"), I submit my report on the exercise of the functions of the Official Property Holder for Community Interest Companies during the financial year 2015-16.

Status

2. The Official Property Holder is a corporation sole by virtue of paragraph 1(1) of Schedule 5 to the Act.

3. The Act and the Community Interest Company Regulations 2005 establish community interest companies as a new type of limited company registered by the Registrar of Companies, which may be private (limited by shares or by guarantee), or public.

4. Section 29(2) of the Act requires the Regulator of Community Interest Companies ("the Regulator") to appoint a member of the Regulator's staff to be the Official Property Holder.

5. The relationship between the Regulator and the Official Property Holder is further specified, with other relevant details, in Schedule 5 to the Act. Copies of section 29 and Schedule 5 are annexed to this report.

6. The Official Property Holder is based in the Office of the Regulator in Companies House in Cardiff.

Functions

7. The Act gives the Regulator various powers to protect the assets of a community interest company. In essence, the function of the Official Property Holder is to protect such assets until authorised to arrange for its transfer, as directed by the Regulator.

8. In particular, under section 48(1), the Regulator may by order transfer to the Official Property Holder any property held by, or held in trust for, a community interest company. Or he may by order require persons in whom such property is vested to transfer it to the Official Property Holder.

9. The Official Property Holder's function is then to hold the property transferred to or vested in him as a trustee.

10. The Official Property Holder may release, or deal with, the property: to give effect to any interest in, or right over, the property of any person (other than the community interest company by which, or in trust for which, the property was held before it was vested, or transferred), or at the request of a person appointed to act as administrative receiver, administrator, provisional liquidator, or liquidator of the company.

11. On discharging an order made under section 48(1) the Regulator may make any order as to the vesting, or transfer, of the property and give any directions which he considers appropriate.

12. Except as mentioned in paragraph 8 above, the Official Property Holder may not release or deal with property vested in or transferred to him, except in accordance with directions given by the Regulator.

13. As soon as possible after the end of each financial year, the Official Property Holder must prepare a report on the exercise of the Official Property Holder's functions during the financial year.

14. The Official Property Holder must send a copy of the report to the Regulator, who must send it to the Secretary of State.

Recruitment

15. I have held the office of Official Property Holder for Community Interest Companies since 01 July 2005, when section 29 of the Act came into force.

16. On 25 July 2005, when the Regulator's office opened to receive applications, I was able to fully exercise my functions.

17. The Official Property Holder has not recruited staff during this financial year and has no staff to date.

Control

18. As the Official Property Holder, I have responsibility for ensuring that a sound system of internal control is maintained to achieve the aims and objectives of the Office of the Regulator of Community Interest Companies in respect of my functions.

19. Department for Business, Innovation and Skills systems and controls are in place across the board.

Performance

20. In the exercise of my functions for 2015-16, I can confirm that:

No property either held by, or in trust for a community interest company has been vested in the Official Property Holder;

No persons in whom such property is vested has been required to transfer it to the Official Property Holder.

Finance

21. No expenses were incurred during the financial year ended 31 March 2016.

Key Statistics

Financial Year	Approved	Dissolved	Converted	Increase	Cumulative
Aug 05 - March 06	208	0	0	208	208
April 06 - March 07	637	0	0	637	845
April 07 - March 08	814	35	3	776	1621
April 08 - March 09	1120	86	2	1032	2653
April 09 - March 10	1296	372	5	919	3572
April 10 - March 11	1824	483	8	1333	4905
April 11 - March 12	2087	590	11	1486	6391
April 12 - March 13	2055	765	11	1279	7670
April 13 - March 14	2494	976	11	1507	9177
April 14 - March 15	2569	1104	3	1462	10639
April 15 - March 16	2727	1433	11	1283	11922
Total	17831	5844	65	11922	11922

CICs by region	Number	%
East Midland	691	6
East of England	887	8
London	1809	15
North East	629	5
North West	1562	13
South East	1576	13
South West	1434	12
West Midlands	1305	11
Yorkshire and Humber	698	6
Total England	10591	89
Northern Ireland	263	2
Scotland	651	5
Wales	417	4
Total	11922	100

Total Number of CICs on the Public Register by CLG and CLS

	Prior to March 2015	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
CLG	8322	127	113	127	55	65	89	26	37	87	27	51	56	9182
CLS	2317	25	37	121	29	21	56	47	27	27	7	21	5	2740
	10639	152	150	248	84	86	145	73	64	114	34	72	61	11922



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