



COMMUNITY
INTEREST
COMPANIES

Regulator of Community Interest Companies Annual Report 2023 to 2024



Regulator of Community Interest Companies
Annual Report 2023 to 2024

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1. 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

To build public confidence in CICs through effective impartial regulation and provision of information.

To develop strong links with key organisations to ensure an integrated approach to regulation.

Pro-actively instigate and support activities that will develop the profile of community interest companies, ensuring awareness of the CIC model.

To be able to demonstrate good governance and pro-actively manage risks.

To ensure those affected by the regulation of CICs are highly satisfied with our services.

2. Foreword

by the Regulator of Community Interest Companies - Louise Smyth

I am pleased to present the 2023-2024 Annual Report for Community Interest Companies (CICs). This year has been marked by significant milestones and continued growth in the CIC sector, reflecting the enduring commitment of these enterprises to delivering social and community benefits across the UK.

The role of the CIC Regulator remains pivotal in ensuring that Community Interest Companies uphold their mission of community service while maintaining robust governance and transparency. Over the past year, I have seen an encouraging increase in the number of CICs, now totalling over 32,500 on our register. This growth underscores the key role CICs play in addressing a wide array of social issues, including providing vital health and education support, and environmental sustainability across the UK.

In 2023-2024, my team has focused on enhancing our regulatory framework to better support the diverse needs of CICs. Our efforts have included increasing our digital filing options, reviewing and improving our existing guidance, and enhancing our monitoring mechanisms to ensure compliance with the community interest test and asset lock. These improvements aim to facilitate the establishment and operation of CICs, allowing them to concentrate on their mission-driven activities with greater ease and confidence.

One of the highlights of this year has been our engagement with CICs and stakeholders to understand the challenges they face and the impact CICs are making. Through various workshops and feedback sessions, we have gained invaluable insights which will inform our future priorities and support mechanisms. I am committed to supporting and encouraging an environment where CICs can thrive and continue to innovate in delivering social value.

We have strengthened our collaborative efforts with key stakeholders, including government bodies and other regulators. These partnerships are crucial in ensuring that the regulatory environment remains conducive to the growth and sustainability of CICs.

As we move forward, my priorities will include further refining our regulatory practices, expanding our support services, and promoting the visibility and understanding of CICs across the UK. I believe that by doing so, we can help unlock the full potential of CICs to drive positive social change.

In conclusion, I would like to extend my heartfelt gratitude to CICs, stakeholders, and my dedicated team for their unwavering commitment and collaboration over the past year. Together, we are fostering a vibrant sector that truly embodies the spirit of community and social enterprise.



3. Executive summary

The 2023-2024 Community Interest Company (CIC) Regulator's Annual Report provides an overview of the activities, developments, and achievements within the CIC sector over the past year. This report highlights the continued growth and impact of CICs across the UK, emphasizing the sector's crucial role in addressing social, environmental, and community challenges. The CIC sector has experienced robust growth this year with 7230 new CICs being incorporated, a 16% rise from last year. This expansion reflects a strong and increasing commitment to social enterprise, with CICs operating in diverse areas including healthcare, education, environmental sustainability, and community development. We have also seen a rise in dissolutions, with 3,372 CIC's dissolving, which is a 16% increase on last year. There are numerous potential reasons for this rise, however we are encouraged by the growing popularity of new and established CICs who continue to flourish across the UK and delivering benefit to the communities they serve.

The main objective of the office is to ensure effective regulation and provision of information to support the growth of community interest companies in the UK. Over the past year, the Regulator has implemented several key enhancements to the regulatory framework including updating guidance for CICs and improving monitoring mechanisms to ensure compliance with the community interest test and asset lock. These measures aim to make the regulatory process more efficient and supportive for CICs.

Another key objective of the office is to create strong working relationships with other regulatory organisations to share and implement best practice across government. Throughout the year we have engaged with CICs and other stakeholders to seek feedback on challenges, issues and successes. The feedback from these engagements will inform ongoing and future regulatory approaches, ensuring they are aligned with the needs of the sector.

The Office of the Regulator of Community Interest Companies website continues to be a valued source of information for our customers and stakeholders with total views of 349,156 over the course of the year. Furthermore, we have utilised social media such as X to provide the sector with the most up to date information

The 2023-2024 period has been one of significant progress for the CIC sector, marked by growth, enhanced regulatory support, and increased stakeholder engagement. The Regulator remains committed to fostering an environment where CICs can thrive and continue to drive meaningful social change. This report underscores the collective efforts of CICs, stakeholders, and the regulatory body in advancing the mission of community-focused enterprises across the UK.

4. Key statistics

7,320



Incorporations

up 16%



Dissolutions

23%



CICs still on the register since
it was established in 2005

670



highest incorporation
(same figure for Jan & March 2024)

2,856



X followers

349,156



Website Views

5. Applications and growth

We are delighted to report the growth and popularity of the CIC model throughout 2023-24, with highest number of CIC incorporations since its inception. The team approved 7,230 applications this year, with January and March being the busiest months (an increase of 16% compared to the previous year).

There are now over 32,500 CICs delivering enormous benefit to their chosen communities across all four corners of the UK, in an extensive range of areas including health, education, sports and the environment. It is refreshing to see a continued growth in the diversity and variety of new and innovative CIC's.

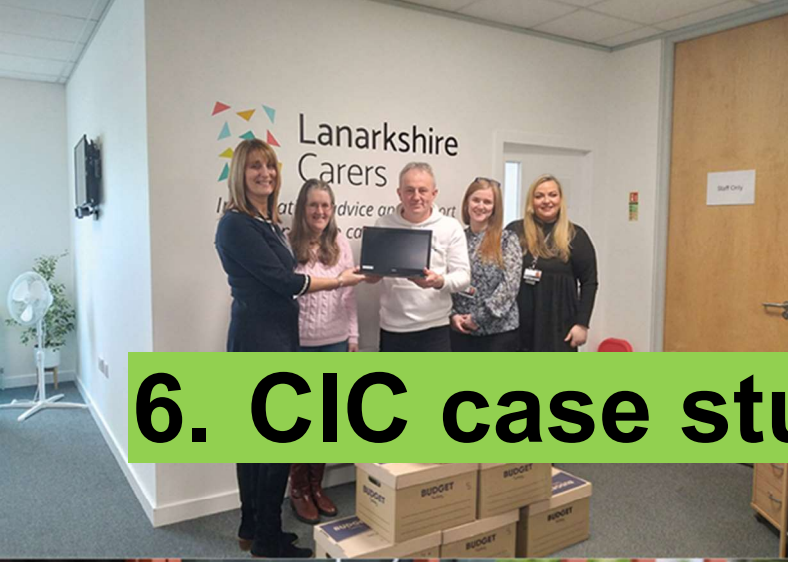
This year, 153 limited companies converted to the CIC model. This was an increase of 5% compared to last year. We also note that since the CIC model began in 2005, 3,043 limited companies have converted to a CIC*. This shows that the CIC model is continuing to be a popular option amongst the business sector, recognising the benefits and opportunities that CIC's have to offer.

The Regulator's ambition to ensure that CIC's are able to use digital platforms to update their companies remains a key priority and this year worked closely with Companies House and were able to invite CIC's to use the Companies House "Upload a Document service". This has enabled CIC's to make changes to their company information digitally through the ability to file special resolutions online, saving both time and money for CIC customers. The Regulator remains committed to achieving a fully digital service for CIC's and will continue to access all opportunities available to implement this as soon as possible.

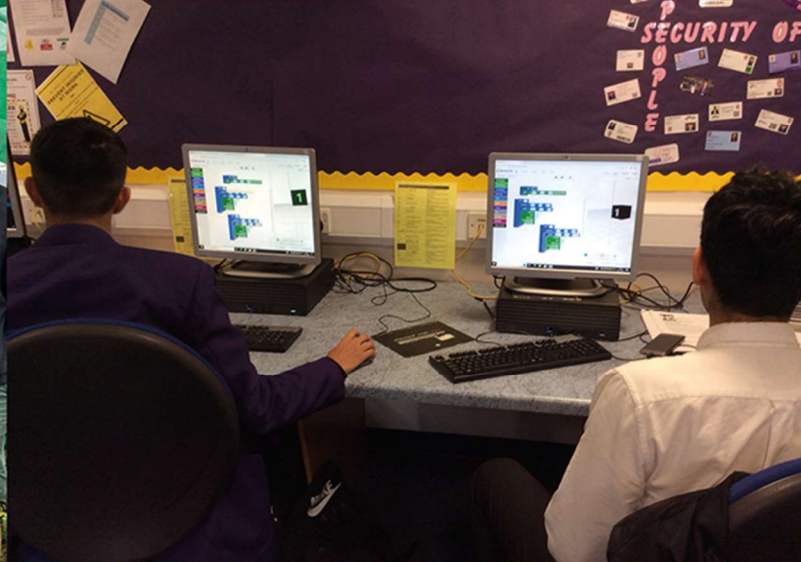
*Due to a reporting error, the number of limited companies that converted to a CIC in the previous year's annual report was inaccurate. The figure shown was for limited company to CIC conversions for the period of 2005 – 2023.

Number of CICs approved on the Public Register each month

Month	Number of CICs
April 2023	583
May 2023	557
June 2023	641
July 2023	560
August 2023	639
September 2023	607
October 2023	580
November 2023	567
December 2023	504
January 2024	670
February 2024	652
March 2024	670
Total	7230



6. CIC case studies



Budding Engineers CIC

Company Number: SC577280

Incorporated: 26 September 2017

Budding Engineers CIC was founded in September 2017 to help promote and deliver STEAM related education and inspire learning in the sciences, technology, engineering, art, and maths subjects, with emphasis towards 3D design and digital technology. We believe every child, young person, and adult matters.

Our mission is to fully support and empower all people and their families especially those with additional learning needs.

Our Aims

- Importance of Digital and Technological Real Work Skills.
- Addressing the Skills Gap in 3D Design and Digital Technology.
- Repair, Reuse and Recycling of IT equipment.
- Help to discover and encourage the strengths in Neurodiversity.

In May 2020 we started recycling IT equipment to help put an end to digital device exclusion and laptop poverty, and inspiring STEAM through digital technology. To date we have donated over 1005 devices, tailored to each person's needs. Providing a device has changed the lives of many families as those who did not leave the home due to anxiety are increasingly able to do so.



Many people we have worked with have no other social or educational opportunities and can often become very isolated. This further impacts on their mental health. By providing devices this allows these families to get online, connect socially, and gives access to online courses and resources which make them feel confident in their caring role and helps them look after their own health and the wellbeing of their children. By having access to a digital device allows them to improve their language and communication skills by being able to type and use the voice activation available to assist them with their disabilities.

We donated many of these devices to carers across Lanarkshire and created a great partnership too, but this also highlighted the lack of digital support available to carers.

All of this this hard work from the company has led to us winning numerous awards, such as the Innovation & Excellence Awards, STEAM Education Organisation of the Year 2022 and 2023.

Over the last few months, we have been running 3D design workshops at schools in Motherwell and Bellshill showing the students how they can use 3D design applications. We are hopefully looking forward to our next journey where we can hopefully open a neurodiverse training centre in Glasgow, which will potentially give more opportunities to people with learning disabilities.

Cardiff Salad Garden CIC

Company Number: 10750582

Incorporated: 03 May 2017

In 2015 two friends, Sophie and Fissha, developed the idea of growing salad commercially in Cardiff for the benefit of all. Two years later, Cardiff Salad Garden was founded as a Community Interest Company, and secured a greenhouse under license from Cardiff County Council nursery in the historic Bute Park in Cardiff. In the summer of 2017, our first salad leaves were picked to order and delivered by bicycle to local independent restaurants. Fissha left the garden in 2019 to pursue other interests and Sophie continued to expand the business installing a large polytunnel in 2019 to double the growing space. Today we grow and deliver over 1000kg cut salad leaves annually to consumers and restaurants across central Cardiff. Our produce is still delivered by bicycle, but we now have an electric cargo bike for safe, accessible and sustainable distribution.

Our volunteers are the beating heart of the garden. We developed the garden to promote positive mental health, reduce isolation and encourage community participation through growing. Our CIC status, a strong, skilled board and good governance allowed us to access funding to build a unique model of supported volunteer sessions and develop our infrastructure. Our volunteers come with a diverse range of challenges and learn new skills, develop social and language skills, build confidence and have a voice in how we develop.



Fortnightly, we meet and spend a few hours together, planting, picking and preparing our fresh cut salad leaves, with a social gathering at the end of the session with home cooked food. We hold regular social events for volunteers, trips to the circus, theatre, cinema, supported bike rides, and visiting local castles. We have had over 100 volunteers come to the garden, many staying for over a year.

In spring 2020 it became clear that the Covid19 pandemic would result in a nationwide lockdown and all our commercial customers would close. With the salad growing strongly in that beautiful spring, we had to react quickly. With the agility of a small enterprise, we were able to use the power of social media to attract many local residential customers starting deliveries in the first week of lockdown. During 2020 we stayed in touch with our volunteers using social media and video calls and as restrictions were gradually lifted, we were able to prepare and plant the new polytunnel and invite our volunteers back, delighted to see many of our regulars again.

We survived Covid because we had a commercial model with loyal customers providing sufficient income to continue production throughout. Post covid we have maintained a healthy mix of restaurant and domestic customers. We have attracted further funding from the National Lottery to fund our current 'growing connections' sessions and to install a third polytunnel as a social and growing space, we have introduced certified horticultural training for volunteers and are working in partnership with other community-based projects to promote community growing. This is further supported by funding from Postcode Lottery and from April 2024 with support from the Welsh Council for Voluntary Action, we are taking responsibility for an established community garden in Cardiff broadening the range of experiences for our volunteers and producing a wider range of produce for distribution to community groups.

Green Squirrel CIC

Company No: 09631141

Incorporated: 09 June 2015

Green Squirrel became a CIC in 2015, built around the belief that action on climate and nature must be embedded in communities in order to build a greener, fairer future for all. In our early days we ran programmes of green living skills in local cafes and community spaces, sharing skills such as bike maintenance, low-waste cooking, repair, food growing, and chicken keeping, as well as creative practices to inspire a connection with nature, like botanical dyeing and spinning yarn.

Around 2015, something happened which shaped the course of Green Squirrel's growth: we were asked to help a local community garden find some extra land for growing. This has taken us on a journey of nearly ten years to plan, establish and lead Railway Gardens, a community resilience hub in Splott, Cardiff. After working with the community to understand what kind of space was needed locally we were able to bring an abandoned strip of council-owned land back into use as a place for everyone to learn, grow, play, and share. Railway Gardens opened in summer 2022 and includes small business spaces, food growing and wildlife gardens, an outdoor classroom, and a community room and kitchen. We host a programme of activities designed to build a strong, connected and caring community with the skills to create positive change, as well as making space and support available for local people to lead their own activities and events.



Alongside our place-based work at Railway Gardens we work in two other ways. Firstly, we work directly with businesses and organisations to offer training, coaching, and activities designed to inspire and facilitate planet-friendly choices. Over the past few years, we've loved working with Unison, The Principality, NEU Cymru, Plantlife and many others to support their team or audience in their climate action journeys.

Secondly, we host an online community called The Climate Village. This is a place for peer support, resource sharing, and learning new skills through live events.

We are proud of our impact and excited to be approaching our tenth year as a CIC next year! In the last twelve months over 4,500 people have taken part in our in-person activities at Railway Gardens, and we've supported over 250 people through our virtual delivery. Volunteers have gifted 463 hours to support our work. The decision to become a CIC was the right one for us; it allows us to be flexible, respond to the needs of our community, and take advantage of new opportunities. At the same time, it allows us to place our mission front and centre: people, place and planet.

Kidz Come First CIC

Company No: 11697133

Incorporated: 26 November 2018

Kidz Come First CIC is a childcare provider that was founded in 2013 with the aim of providing quality care and early childhood education in a deprived area of Birmingham. Our core value is making a positive impact on the community by supporting working parents and enhancing social and learning opportunities for children. We are dedicated to teaching children life skills that will benefit them throughout their lives, while ensuring their safety, care, and well-being.

Recently, we have noticed an increase in child hunger, which has significant long-term effects on a child's physical and cognitive development. To address this issue, we offer free Holiday, Breakfast, and After-school clubs that provide nutritious meals and activities to children in need. In these clubs, children not only receive meals but also engage in self-esteem and confidence-building activities, and weekly trips. We provide a safe and supportive environment where children can develop important life skills such as first aid, cooking, and participate in workshops that promote well-being. Additionally, we encourage children to give back to the community by organising activities such as feeding the homeless. Our dedicated and friendly staff also offer mentorship to the children, fostering positive relationships and friendships.

Over the past year, the number of children participating in our holiday club has risen from 100 to 400 free spaces funded by the Department of Education.



The impact of Kidz Come First on the children and families in the community is immeasurable. By providing free and high-quality childcare, we alleviate the financial burden on families, allowing parents to pursue employment or education opportunities without the worry of childcare fees. We believe that access to affordable childcare is essential for the well-being of both children and their parents/carers.

In addition to our childcare services, we offer work experience opportunities to young people aged between 14-16. This initiative aims to provide them with valuable skills and knowledge in childcare, breaking the cycle of young people being at home or on the streets.

We collaborate with local schools, outside organisations, and local authorities to offer free spaces to children in need, particularly those with special educational needs and disabilities. This partnership allows us to reach a wider range of children and provide them with the support they require.

Our efforts have not gone unnoticed, as we have been nominated for several awards, including the Potential Unlocked 2023 Outstanding Contribution to Children and the Multicultural Business and Community Champion 2023 awards for Outstanding Business and Role Model of the Year.

The name "Kidz Come First" reflects our unwavering commitment to prioritising the needs of children in everything we do. We believe that by investing in their well-being and development, we can create a brighter future for them and the community.

7. Dissolutions

This financial year we saw 3,372 community interest companies dissolving, representing **10%** of the total number of CICs on the public register. This represents a **16%** increase in comparison to last financial year.

The Regulator continues to meet with social enterprise organisations to obtain their views and identify available funding and grant opportunities to support the sector.

We also draw positives from the fact that **24%** of CIC's who incorporated at the CIC model's inception in 2005 are still thriving and have managed to continue operating even during these difficult times.

The Regulator remains confident that despite these setbacks, the CIC brand will continue to grow and prosper as CIC's have already shown that they are able adapt their business model in order to survive.

8. Complaints

In the year 2023-24, our office received 34 new complaints about CICs, which is less than the number of complaints received in the previous year. With 32,624 CIC's on the public register this equates to less than 1% of CICs receiving a complaint.

One of the Regulator's main objectives is to instil confidence in the CIC brand. Every complaint received is thoroughly considered and reviewed to identify the best form of action to take. In many cases, it may be concluded that the complaint falls within the remit of another regulator or agency.

We can also confirm that this year, the Regulator did not need to use her statutory powers to launch a formal investigation into any CIC's.

Nature of Complaint	Numbers
Activities	4
Asset Transfer	5
Confusion CIC or Charity	2
Directors Activities	4
Fundraising	2
Directors Remuneration	1
Financial Mismanagement	2
Governance	4
Political Activity	7
Other	3
TOTAL	34

9. Finance

The fees charged to community interest companies continued to stay at comparable rate of £15 for online incorporations and accounts. These fees are payable to the Registrar of Companies on delivery of the documents relating to the listed events, with £12 pounds of the fee to cover an element of Companies House services.

The Regulator remains committed in securing cost efficiencies as a public department and continues to assist Government in looking at ways to reduce our spend throughout each financial year.

A continued priority for the Regulator has always been removing the reliance on the public purse. As a result of an increase in the number of CICs being incorporated, the Regulator recovered 121% of costs against expenditure. This will be invested into improving our services to help support and modernise the CIC sector. The Regulator will continue to monitor income and expenditure to ensure that the fees charged to be incorporated as a CIC are set at the appropriate level.

This year, our office has seen an increase to our expenditure. This is an increase of 16% in comparison to last year's spend.

10. Report of the Official Property Holder

Foreword by Dale Walters, 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 2023 - 2024.

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 they 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 them 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 they consider 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 them, 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 1 March 2021.
16. On 25 July 2005, when the Regulator's office opened to receive applications, the previous property holder was able to fully exercise these 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.

Department for Business & Trade systems and controls are in place across the board.

Performance

20. In the exercise of my functions for 2023 - 2024, 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 ending 31 March 2024.

11. Finance

Finance 2023/24

a) Expenditure	2023/24	2022/23	2021/22	2020/21	2019/20
31 March (£)	351,103	293,558	233,693	266,801	253,000

b) Income	2023/24	2022/23	2021/22	2020/21	2019/20
Formations and Conversions	7,230	6,056	5,339	6,838	5,106
CIC Reports	21,151	18,987	18,316	11,313	13,004
31 March (£)	425,715	375,645	354,435	272,265	271,000*

c) Percentage of income against spend					
31 March (%)	121	128	152	102	107

12. 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	7	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
April 16 - March 17	2812	1665	14	1133	13055
April 17 – March 18	2844	1631	14	1199	14254
April 18 – March 19	3217	1711	31	1475	15729
April 19 – March 20	5106	1894	37	3175	18904
April 20 – March 210	6838	1792	63	4983	23887
April 21 – March 22	5339	3087	74	2178	26065
April 22 – March 23	6056	3169	74	2813	28878
April 23 – March 24	7230	3372	112	3746	32624

*Converted from a CIC



COMMUNITY
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2023/24

Annual Report

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