

# CIC 34

## Community Interest Company Report

<b>For official use</b> <i>(Please leave blank)</i>	
<b>Company Name in full</b>	
<b>Company Number</b>	
<b>Year Ending</b>	

*Please complete in typescript, or in bold black capitals.*

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's information and guidance notes.

Please note that you must give details in this report of transfer of assets for less than full consideration e.g. donations to outside bodies, or paid directors at less than market value.

### **PART 1 – GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT**

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community or section of the community which the company is intended to serve.

(Please continue on separate continuation sheet if necessary.)

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## PART 2 – CONSULTATION WITH STAKEHOLDERS

A “stakeholder” is any person or organisation affected by the company’s activities. Indicate what steps the company has taken during the financial year to which the report relates to consult its stakeholders, whether formally or informally. If there has been no consultation, this should be made clear.

Please indicate who the company’s stakeholders are:

Please indicate how the stakeholders have been consulted:

What action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

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## PART 3 –DIRECTORS’ REMUNERATION (See Appendix A)

All community interest companies are required to report certain information about their directors’ remuneration.

The information required from quoted companies is specified in Schedule 5 to the Large and Medium- Sized Companies and Groups (Accounts and Reports) Regulations 2008, for companies which are not subject to the small companies regime under Part 15 of the Companies Act 2006.

All companies are required to provide some of this information in the notes to their annual accounts. **If you have provided all of this information in your accounts, you need not reproduce it here, but you must state where that information can be found.**

<b>Quoted companies</b> (for a definition of “quoted company” see section 385 of the Companies Act 2006)	
<b>1. Total amount of directors’ remuneration</b>	
(a)	The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services.  <i>NB: remuneration paid or receivable or share options granted in respect of a person’s accepting office as a director are treated as emoluments paid or receivable or share options granted in respect of his services as a director</i>
(b)	The aggregate of the amount of gains made by directors on the exercise of share options.
(c)	The aggregate of the amount of money paid to or receivable by directors, and the net value of assets (other than money and share options) received or receivable by directors, under long term incentive schemes in respect of qualifying services.
(d)	The aggregate value of any company contributions-  (i) paid, or treated as paid, to a pension scheme in respect of directors’ qualifying services; and (ii) by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated.

(e)	<p>The number of directors (if any) to whom retirement benefits are accruing in respect of qualifying services –</p> <p>(i) under money purchase schemes, and</p> <p>(ii) under defined benefit schemes.</p>
<p><i>NB: For the purposes of section 1 above, "Subsidiary undertaking" means an undertaking which is a subsidiary undertaking at the time the services were rendered.</i></p>	

(Please continue on separate continuation sheet if necessary.)

## NOTES

### General nature of obligations

- 1) Information is only required to be given so far as it is contained in the company's books and papers or the company has the right to obtain it from the persons concerned.
- 2) Any information is treated as shown if it is capable of being readily ascertained from other information which is shown.

### Provision as to amounts to be shown

- 1) The amount to be shown in each case includes all relevant sums, whether paid by or receivable from the company, any of the company's subsidiary undertakings or any other person.
- 2) References to amounts paid to or receivable by a person include amounts paid to or receivable by a person connected with him or a body corporate controlled by him (but not so as to require an amount to be counted twice).
- 3) Except as otherwise provided, the amounts to be shown for any financial year are –
  - (a) the sums receivable in respect of that year (whenever paid), or
  - (b) in the case of sums not receivable in respect of a period, the sums paid during that year.
- 4) Sums paid by way of expenses allowance that are charged to UK income tax after the end of the relevant financial year must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

5) Where it is necessary to do so for the purpose of making any distinction, the directors may apportion payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

**Exclusion of sums liable to be accounted for to company etc**

1) The amounts to be shown do not include any sums that are to be accounted for –  
 (a) to the company or any of its subsidiary undertakings, or  
 (b) by virtue of sections 219 (payment in connection with share transfer: requirement of members’ approval) and 222(3) (payment made without approval: civil consequences) of the Companies Act 2006 to persons who sold their shares as a result of the offer made.

2) Where any such sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them, and where the liability is afterwards wholly or partly released or is not enforced within a period of two years, those sums, to the extent to which the liability is released or not enforced, must be shown in a note to the first accounts in which it is practicable to show them, and must be distinguished from the amount to be shown apart from this provision.

**Money purchase benefits and defined benefits**

1) Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of –  
 (a) money purchase benefits as determined by or under the scheme; and  
 (b) defined benefits as so determined  
 the company may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.

2) For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are to be disregarded.

**Remuneration**

Remuneration paid or receivable or share options granted in respect of a person’s accepting office as a director are treated as emoluments paid or receivable or share options granted in respect of his services as a director.

Definitions	
Accrued pension and accrued lump sum	<p>means –</p> <p>in relation to any pension scheme and any director mean, respectively the amount of the annual pension and the amount of the lump sum which would be payable under the scheme on his attaining normal pension age if</p> <p>(a) he had left the company’s service at the end of the financial year,</p> <p>(b) there was no increase in the general level of prices in the UK during the period beginning with the end of that year and ending with his attaining that age</p> <p>(c) no question arose of any commutation of the pension or inverse commutation of the lump sum</p> <p>(d) any amounts attributable to voluntary contributions paid by</p>

	the director to the scheme were disregarded
“connected with” and “controlling”	are to be construed in accordance with sections 252 to 255 of the Companies Act 2006.
Defined benefits	means –  retirement benefits payable under a pension scheme that are not money purchase benefits
Defined benefit scheme	means –  a pension scheme that is not a money purchase scheme
Highest paid director	means –  the director to whom the greatest part of the total of the aggregates shown under section 1(a)(b) and (c) are attributable
Long term incentive scheme	means –  an agreement or arrangement: (a) under which money or other assets may become receivable by a director, and (b) which includes one or more qualifying conditions with respect to service or performance which cannot be fulfilled within a single financial year.  The following must be disregarded: (a) the amount of bonuses which falls to be determined by reference to service or performance within a single financial year, (b) compensation for loss of office, payments for breach of contract and other termination payments, and (c) retirement benefits
Money purchase scheme	means –  a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits
Net Value	means –  in relation to any assets received or receivable by a director, means value after deducting any money paid or other value given by the director in respect of those assets
Normal pension age	means –  in relation to any pension scheme and any director means the age at which the director will first become entitled to receive a full pension on retirement of an amount determined without reduction to take account of its payment before a later age (but disregarding any entitlement to pension upon retirement in the event of illness, incapacity or redundancy)

Pension scheme	<p>means –</p> <p>a retirement benefits scheme as defined by section 611 of the Income and Corporation Taxes Act 1988</p>
Qualifying Services	<p>means -</p> <p>in relation to any person, his services as a director of the company and his services while director of the company –</p> <p>(a) as director of any of its subsidiary undertakings; or</p> <p>(b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings</p>
Remuneration of a director	<p>Includes –</p> <p>(a) salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom income tax), and</p> <p>(b) (subject to the exclusion below), the estimated money value of any other benefits received by the director otherwise than in cash.</p> <p>The expression does not include -</p> <p>(a) the value of any share options granted to the director or the amount of any gains made on the exercise of any such options,</p> <p>(b) any company contributions paid, or treated as paid under any pension scheme or any benefits to which the director is entitled under any such scheme, or</p> <p>(c) any money or other assets paid to or received or receivable by the director under any long term incentive scheme</p>
Retirement benefits	<p>has the meaning given by section 612(1) of the Income and Corporation Taxes Act 1988</p>
Shares	<p>means –</p> <p>shares (whether allotted or not) in the company, or any undertaking which is a group undertaking in relation to the company, and includes a share warrant, as defined by section 779(1) of the Companies Act 2006</p>
Share option	<p>means –</p> <p>a right to acquire shares</p>
Subsidiary undertaking	<p>Any reference to a subsidiary undertaking of the company in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) of any other undertaking, includes that undertaking, whether or not it is or was in fact a subsidiary undertaking of the company</p>

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## **PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION (EXCLUDING DIVIDENDS)**

Community interest companies are only permitted to transfer assets other than for full consideration (i.e. at less than market value) if:

- (i) the assets in question are transferred to an asset-locked body (a community interest company, charity or equivalent body established outside Great Britain) which is specified in the company's constitution, or where the Regulator has consented to the transfer; or
- (ii) the transfer, although not made to an asset-locked body, is nevertheless made for the benefit of the community.

**Where transfers of either kind are made, the community interest company report must disclose the amount of the transfer, or, where this cannot be given precisely, a fair estimate of the value of the assets transferred. Please give the following details:**

- i) A description of the asset and the amount of the transfer or estimate of its value. Please state 'none', if applicable and move to section 5**
- ii) Details of the recipient, to which the asset was transferred, including whether or not it is an asset-locked body.
- iii) If the recipient is an asset-locked body, whether it is specified in the company's memorandum or articles of association as a recipient of transfers of the company's assets other than for full consideration.
- iv) If the recipient is an asset-locked body, but is not so specified, brief details of how the Regulator's consent to the transfer was given.
- v) If the recipient is not an asset-locked body, how the transfer will benefit the community.

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## PART 5 – DIVIDENDS FOR THE FINANCIAL YEAR TO WHICH THE REPORT RELATES

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared or proposed any dividends in respect of the financial year to which the report relates, please indicate this.

Before completing this part you should consult Chapter 6.2 of, and Annex G to, the Regulator's information and guidance notes and regulations 17 to 20 of the Community Interest Company Regulations 2005, which contain the rules on dividend payments.

**For all dividends declared or proposed in respect of the financial year to which the report relates, please supply the following information:**

- (i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'none', if applicable and move to section 6**
- (ii) The amount of dividend declared or paid per share
- (iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend; but see regulations 17(3) to (5) of the Community Interest Company Regulations 2005)
- (iv) if it is an exempt dividend, why it is an exempt dividend.

(Please continue on separate continuation sheet if necessary.)

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*Where a dividend which is not an exempt dividend is declared or proposed in respect of the financial year to which the report relates, the report must explain how it complies with regulations 17 to 20 of the Community Interest Company Regulations 2005 by giving details of:*

- (i) The applicable share dividend cap
- (ii) The maximum dividend per share
- (iii) Whether any unused dividend capacity from previous financial years is included in the dividend (and, if so, how much and from which year).
- (iv) The maximum aggregate dividend
- (v) How each of the above figures has been calculated.
- (vi) In addition to the above information, the total amount of (a) all exempt; and (b) all non-exempt dividends declared or proposed in respect of the financial year to which the report relates should be given.

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## PART 6 – DIVIDENDS FOR PREVIOUS FINANCIAL YEARS

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared any dividends in respect of any of the preceding four financial years, please indicate this.

For each of the previous four financial years, and for all dividends declared or paid in respect of those years, the following information should be supplied:

- (i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'None' if applicable and move to section 7.**
- (ii) The amount of dividend declared or paid per share.
- (iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend)
- (iv) If it is an exempt dividend, why it is an exempt dividend.
- (v) The maximum dividend per share.

(Please continue on separate continuation sheet if necessary.)



- (iii) Either the interest cap applicable to the debt or debenture concerned (with an explanation of how it has been calculated), or an explanation of why the cap does not apply to it (i.e. because the agreement was entered into before the company became a community interest company).

(Please continue on separate continuation sheet if necessary.)

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(N.B. Please enclose a cheque for £15 payable to Companies House)

## PART 8 - SIGNATORY

Please ensure that a director or secretary signs the original CIC Report, which should be retained for your records. Please send a copy of the CIC Report to the Registrar of Companies (see below).

Signed

Date

*Office held (delete as appropriate) Director/Secretary*

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Tel	
DX Number	DX Exchange

Please send a completed copy to one of the following addresses, with a cheque for £15 (payable to Companies House)

*Companies registered in **England and Wales**:* Companies House, Crown Way, Cardiff, CF14 3UZ (DX 33050 Cardiff)

*Companies registered in **Scotland**:* Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF (DX235 Edinburgh)

*Companies registered in **Northern Ireland**:* Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG