

OFFICE OF THE REGULATOR OF
COMMUNITY INTEREST
COMPANIES

QUARTERLY REPORT

APRIL – JUNE 2007

CONTENTS

Organisational Structure.....	2
Legislation	2
Events and Meetings	2
Administration.....	3
Website Updates	3
Annual Community Interest Reports	3
Statistical Information About Directors of CICS	4
Actions Taken After the Feedback Survey of Community Interest Companies Incorporated Between July – December 2006	6
Statistics	11

Organisational Structure

Regulator:	Julie Court
Office Manager:	Phil Horrell
Case Manager:	James Stimson
Case Manager:	Johnny Bryon
Operational Support Officer:	Helen Huish

John Hanlon left his post as Regulator on 30 April 2007.
Jon Reed left his post as Case Manager on 6 April 2007.
James Stimson began his post as Case Manager on 23 April 2007.

Legislation

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.

Events and Meetings

The Regulator presented at:

- Simply Health, Bristol
- Social Enterprise, London, C.I.C Day
- S2S Scottish Social Enterprise Coalition Trade Fair
- The Royal College of Nursing "*Entrepreneurs to be or not to be*" workshop
- The Brooke Commission (ACEVO): Chief Executives of Governance Inquiry
- Third International Social Entrepreneurship Conference in Copenhagen
- Unltd workshop

The Regulator attended:

- Access Finance - five years on CDFA

The Regulator met with:

- The Office of the Third Sector
- Department of Health
- The Registrar for Companies in England and Wales
- Corporate Law and Governance, Department for Business, Enterprise & Regulatory Reform
- Lloyds TSB Foundation

The Office Manager met with:

- Guidestar UK
-

Administration

During this quarter the Office of the Regulator of Community Interest Companies has dealt with:

This quarter		Previous Quarter	
884	Telephone enquiries	1,245	Telephone enquiries
393	E-mail enquiries	568	E-mail enquiries
262	Briefing packs issued	427	Briefing packs issued
785	Leaflets issued	4,295	Leaflets issued*
20,018	Unique web visitors	15,979	Unique web visitors

* A large number of leaflets were issued to Northern Ireland to coincide with the introduction of CICs

Website Updates

The following information was made available on our website www.cicregulator.gov.uk:

- Regulator's Annual Report 2005-06
- Regulator's Annual Report 2006-07
- Regulator's Quarterly Report March 2007
- Corporate Plan 2006 to 2010, which incorporates the business plan for 2007 to 2008.
- Information on Small Business grants
- Details of awareness sessions in Northern Ireland
- Announced that CICs are now a legal option in Northern Ireland
- Announced the 1000th community interest company was The City Healthcare Partnership C.I.C.
- Announced the 5,000th member of NCVO was 10Radio C.I.C.

Annual Community Interest Reports

All the directors of a CIC have an additional obligation to prepare an Annual Community Interest Report to be filed with their accounts. The purpose of the report is to show that the community interest company is still satisfying the Community Interest Test and that it is engaging appropriately with its stakeholders, in carrying out activities which benefit the community.

This quarter we received 10 community interest reports:

- | | |
|-----------------------|------------------------------------|
| • Baddac Access | • Greenacre Pre-School |
| • Cycle Training East | • Hisez |
| • Dizzy Retail | • Jifunza |
| • Equal Ability | • Pictures to Share |
| • Focus To Work | • Worthing Town Centre Initiative. |

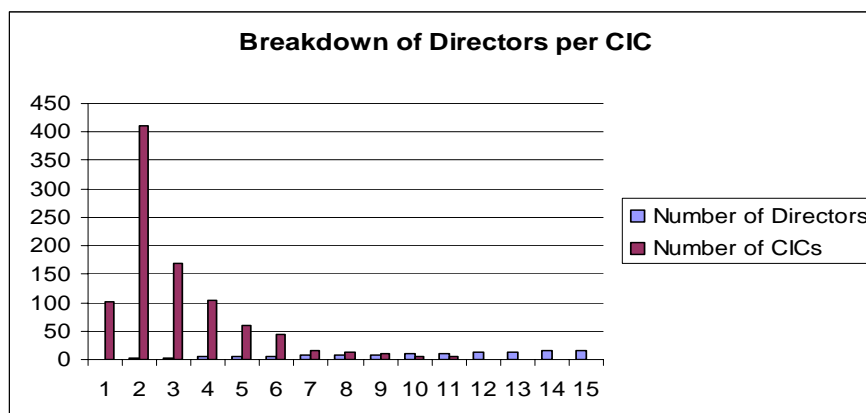
STATISTICAL INFORMATION ABOUT DIRECTORS OF CICS

An analysis of the CICS register at the 18th May 2007 produced the following statistics:

1. Number of Directors

- 943 CICS had a total of 2,909 directors.
- Average number of directors per CIC is 3
- Largest number of directors in a CIC is 16
- Smallest number of directors in a CIC is 1
- 44% have 2 directors and 83% have 4 or less.

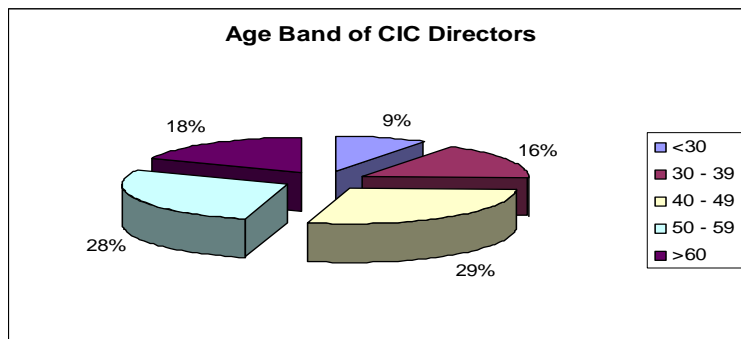
Number of Directors	Number of CICS
1	102
2	411
3	169
4	105
5	59
6	43
7	16
8	13
9	11
10	6
11	4
12	1
13	1
14	0
15	1
16	1
Total	943



2. Age of Directors

- 9% of directors are 30 or under
- 75% of directors are in the 40+ age range
- 57% of directors are between the ages of 40 to 59
- 46% of CIC directors are aged 50+
- 18% of CIC directors are aged 60+

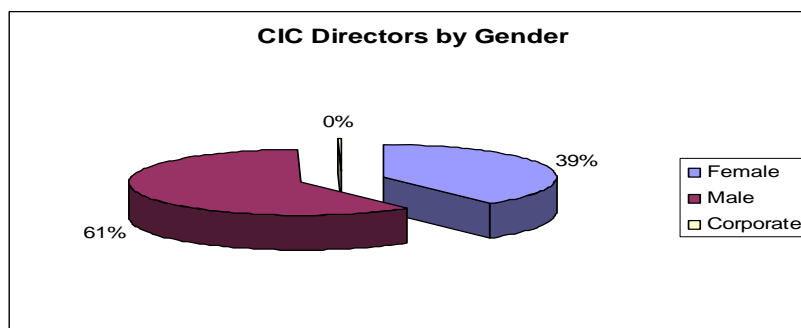
Age Band	No.	%
30 and Under	255	8.77
30 – 39	478	16.43
40 – 49	844	29.01
50 – 59	808	27.78
60 and Over	524	18.01
Total	2909	100



3. Gender Split

- 39% of directors are female
- 0.3% are corporate directors

Gender	No.	%
Male	1756	60.36
Female	1144	39.33
Corporate	9	0.31
Total	2909	100



**Actions Taken After the Feedback Survey of Community Interest Companies
Incorporated Between July – December 2006**

In response to the two questions “*How would you like community interest companies to be promoted in the coming year*” and “*Have you any suggestions about how the CIC Office can further improve the service we provide to applicants and enquirers*” we received the following suggestions:

Greater media coverage
Raise Public Awareness
Hold Regional Events
Raise Local Authority and Government awareness
Raise voluntary sector awareness
Target funders and banks
Promote as champions within the community and the best structure for social enterprises
Provide background introduction leaflets on CICs
Develop an Association of CICs
Tax breaks
Provide a promotion Video
Create “.cic” internet domain
Clear link from Companies House website
Provide free support and advice services
Application acknowledgement required
Add list of funding organisations, accountants and solicitors that understand CICs
Keep in touch (the odd phone call)
Introductory leaflet available
Forms available in Microsoft Word
CIC forum on website

ACTION TAKEN BY THE CIC OFFICE:

Greater Media Coverage, Raise public and Voluntary Sector awareness, Hold Regional Events

- Publicised our website www.cicregulator.gov.uk as the main source of information and included a feedback facility.
- Provided articles for a number of organisations including the Social Enterprise Magazine, the Law Journal, the New Start Magazine, Charity Finance, Royal College of Nursing and the Charity Commission
- Conducted a television interview with the Legal Network Television which is involved in providing training to the legal profession.
- Issued a number of press releases including several celebrating the registration of the 100th, 500th and 1000th community interest company
- Designed an advert which featured in the Social Enterprise magazine and the Guardian supplement on Voice 07 to reach a wider audience.
- Alerted local media when speaking at prominent events in the local region
- Spoke at numerous events of local and national prominence including Voice 06

- Exhibited at a number of conferences including Voice 06, Voice 07, S2S Trade Fairs of 2006 and 2007, and WCVA Conference 2006.
- The Regulator and Deputy Regulator attended 65 events during 2005-2006
- The Regulator and Deputy Regulator attended 67 events during 2006 -2007
- The Regulator and Deputy Regulator attended 16 events during January – May 2007
- Where the Regulator or Deputy Regulator has been unable to attend an event, the organisers have been provided with literature about CICs. To date 5,361 Briefing Packs have been issued.
- The Regulator has made it known that the CIC Office is happy to consider attending and speaking at events throughout the country. Details of the events can be emailed to our office at cicregulator@companieshouse.gov.uk
- A list of forthcoming events where the Regulator will be presenting will be posted on our website.

Raise Local Authority and Government Awareness

- Agreed Memorandum of Understandings with government departments and other regulatory bodies. The aim of this is to develop a close working relationship and reduce the regulatory burden on CICs.
- Met with officials from the Departments of Health and Transport and the Scottish and Welsh Assemblies.
- Developed a close working relationship with the Office of the Third Sector.
- Written to every local authority in England, Wales and Scotland providing information about CICs.
- Visited a number of Regional Development Agencies and will look to raise the profile of CICs through these organisations
- The Regulator will continue to raise the profile of CICs throughout the business community through organisations, such as, Business Links and the Chambers of Commerce

Target Funders and Banks

- Met with Chief Executives of some of the larger funders
- Contacted many of the major funding organisations over the last 2 years and will shortly be organising a further mail-shot to over 70 organisations.
- Gained agreement from Big Lottery Fund that CICs will be eligible to apply for funding from “Awards for All” and “Reaching Communities” funds
- If our office is made aware that CICs are not included in the code/criteria for funding of a grant making body or funder, possibly because they do not understand the legal form, the Regulator will write to open a dialogue with the organisation concerned. The Regulator will not, however, be writing on behalf of a particular CIC.

Promote as champions of the community and the best structure for social enterprise

- We promote good news stories through our website.

- There have been a number of events and workshops about legal forms where the Regulator has presented to ensure that the CIC legal form is strongly represented.
- The Regulator ensures that the CIC Office has a strong professional relationship with the Social Enterprise Coalition, Co-operatives UK, and the Office of the Third Sector.
- We have introduced a live feed of news stories on our website www.cicregulator.gov.uk about community interest companies and related topics.
- In all our publicity we make clear that organisations should seek professional advice when considering the legal form most suitable to their organisational needs. You may be interested to see that the Office of the Third Sector has set up an Ambassadors Programme to raise awareness of social enterprise and attract new people to the sector. This link provides further details <http://www.socialenterprise.org.uk/Page.aspx?SP=2130>

[Provide background introduction leaflets on CICs](#)

- Two introductory leaflets are available, a general 'Key facts' explanation; and a more tailored 'CIC Funders' leaflet
- Leaflets are available in hard copy format or electronic versions from the website
- A briefing pack is also available with more in depth information

[Develop an Association of CICs, have a CIC forum on website](#)

- The Regulator raised, with the Office of the Third Sector, the need for a forum for community interest companies, which would be independent of the Regulator to discuss and share their knowledge, experience and challenges and to raise concerns. There should be further news on this by the end of September.

[Tax breaks](#)

- The Regulator has raised the issue, voiced by some at presentations and workshops, about the lack of tax incentives for community interest companies. However, the position remains the same - CICs will be eligible for the same tax relief as available to other companies.

[Provide a Promotional video](#)

- The Regulator will explore the practicalities, including cost, of providing a promotional video and the benefits that this will bring.

Create “.cic” internet domain

- The Regulator is currently exploring the practicalities, including cost, of registering cic.uk as a second level domain name i.e. “.cic.uk”

Provide a clear web link from Companies House website

- There is now a very clear Community Interest Companies logo on the welcome page that links to the website, as well as a link listed in the ‘Links’ section

Provide free support and advice services

- The office provides general information and guidance about community interest companies and their regulation, but cannot offer, for example, specific advice on the legal structure that an organisation should adopt, or advice on commercial considerations. You are advised to contact an independent professional adviser with such queries.
- The office provides an information service via a voicemail number 029 2034 6228 and central e-mail box cicregulator@companieshouse.gov.uk
- All calls are answered within 24 hours and general enquiries via email within 48 hours

Application acknowledgement requirement

- An acknowledgement letter is now sent, within 24 hours of receipt in the CIC Office, of an application to form as, or convert to, a CIC.

Add list of funding organisations, accountants and solicitors that understand CICs

- The “Links” section of the website currently provides links to some of the larger funding organisations as well as other useful contacts such as regional development agencies
- The “Links” section also includes links to legal and professional bodies where lists of accountants and solicitors can be located

Keep in touch (the odd phone call)

- As a light touch Regulator we are happy for you to contact us to keep in touch, but we try as a matter of policy to avoid any unnecessary intervention(s) into your working day.
- We use surveys (such as, this one) as one method to keep in touch and we have a central mailbox and voicemail available for you to share your thoughts with us.
- We have also introduced a feedback section on the website inviting community interest companies to get in touch with the CIC Office not only to voice their concerns but also to let us know of their successes.



Forms available in Microsoft Word

- Special resolution templates and memorandum and articles of association are now available in Microsoft Word on the website, other CIC forms are available on request in Microsoft Word but cannot be published on the web due to government requirements.
 - The Companies House Forms are owned by Companies House and are only available in PDF format.
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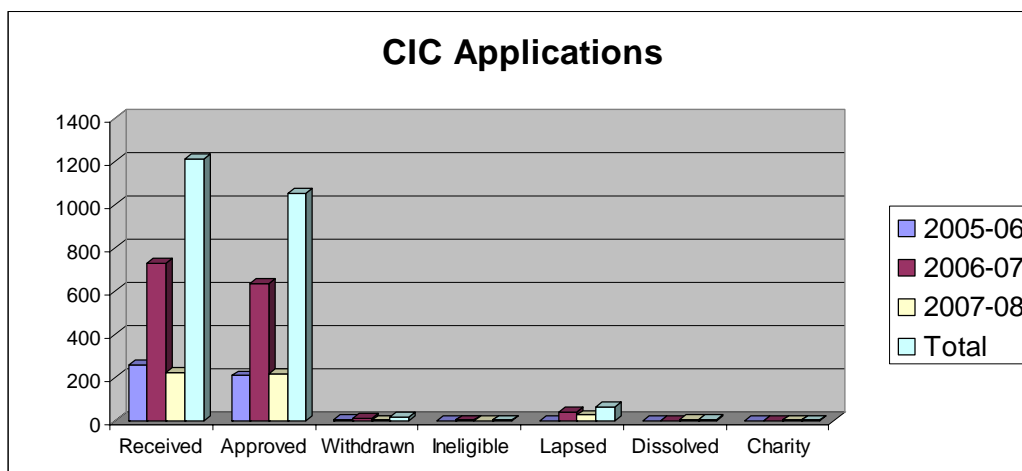
Statistics

The tables which follow provide statistical data on the:

- 1 Status of applications received and processed
- 2 Numbers of community interest companies on the Register
- 3 Types of community interest companies on the Register
- 4 Regions covered by the community interest companies on the Register
- 5 Sectors covered by the community interest companies on the Register

1. Analysis of the status of applications received and processed

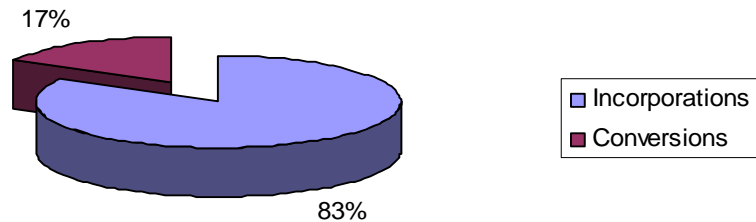
	April - June 2007	From 25 July 2005 to date
RECEIVED	223	1,212
APPROVED	214	1,059
WITHDRAWN	2	20
INELIGIBLE	0	1
LAPSED	32	64
DISSOLVED	4	4
CONVERTED TO CHARITY	1	1



2. Analysis of the number of community interest companies on the Register

Great Britain	
Incorporations	877
Conversions	177
Restorations	0
Total	1,054
Conversion to Charity	1
Dissolutions	4
Withdrawals	20
England	
Incorporations	812
Conversions	166
Restorations	0
Total	978
Conversion to Charity	1
Dissolutions	4
Withdrawals	20
Northern Ireland	
Incorporations	0
Conversions	0
Restorations	0
Total	0
Conversion to Charity	0
Dissolutions	0
Withdrawals	0
Scotland	
Incorporations	38
Conversions	9
Restorations	0
Total	47
Conversion to Charity	0
Dissolutions	0
Withdrawals	0
Wales	
Incorporations	27
Conversions	2
Restorations	0
Total	29
Conversion to Charity	0
Dissolutions	0
Withdrawals	0

Analysis of the number of community interest companies in Great Britain



3. Analysis of the type of community interest companies on the Register

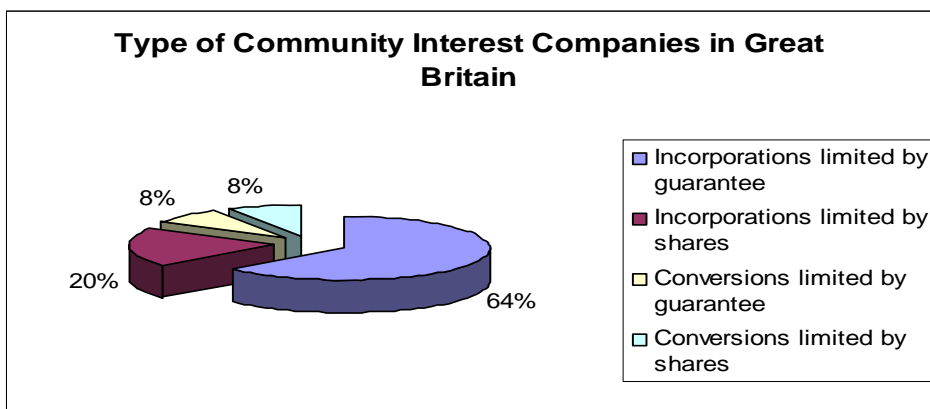
Great Britain	
Public Companies	0
Private Companies	
Incorporations limited by guarantee	671
Incorporations limited by shares	206
Conversions limited by guarantee	87
Conversions limited by shares	88
Charities converting to a community interest company	2
Total	1,054

England	
Public Companies	0
Private Companies	
Incorporations limited by guarantee	622
Incorporations limited by shares	190
Conversions limited by guarantee	82
Conversions limited by shares	82
Charities converting to a community interest company	2
Total	978

Northern Ireland	
Public Companies	0
Private Companies	
Incorporations limited by guarantee	0
Incorporations limited by shares	0
Conversions limited by guarantee	0
Conversions limited by shares	0
Charities converting to a community interest company	0
Total	0

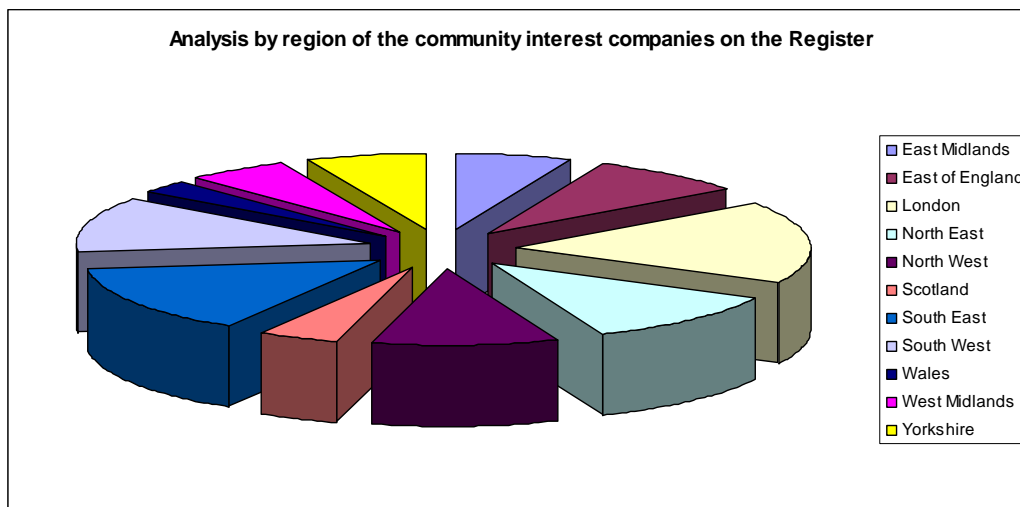
Scotland	
Public Companies	0
Private Companies	
Incorporations limited by guarantee	27
Incorporations limited by shares	11
Conversions limited by guarantee	4
Conversions limited by shares	5
Charities converting to a community interest company	0
Total	47

Wales	
Public Companies	0
Private Companies	
Incorporations limited by guarantee	22
Incorporations limited by shares	5
Conversions limited by guarantee	1
Conversions limited by shares	1
Charities converting to a community interest company	0
Total	29



4. Analysis by region of the community interest companies on the Register

Region of registered office	Number	%
East Midlands	66	6
East of England	93	9
London	185	18
North East	119	11
Northern Ireland	0	0
North West	109	10
Scotland	47	4
South East	154	15
South West	123	12
Wales	29	3
West Midlands	58	5
Yorkshire and the Humber	71	7
Total	1,054	100



5. Analysis by sector of the community interest companies on the Register

Great Britain	
Group A - Agriculture, Hunting and Forestry	4
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	31
Group E - Electricity, Gas and Water Supply	14
Group F - Construction	2
Group G - Wholesale, Retail; Certain Repair	49
Group H - Hotels and Restaurants	21
Group I - Transport, Storage & Communication	25
Group J - Financial Intermediation	11
Group K - Real Estate, Renting & Business	213
Group L - Public Administration & Defence	16
Group M - Education	216
Group N - Health and Social Work	163
Group O - Other Social & Personal Services	379
Group P - Private Households with Employees	1
Group Q - Extra Territorial Organisations	1
Total	1144

England	
Group A - Agriculture, Hunting and Forestry	3
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	24
Group E - Electricity, Gas and Water Supply	13
Group F - Construction	2
Group G - Wholesale, Retail; Certain Repair	40
Group H - Hotels and Restaurants	19
Group I - Transport, Storage & Communication	23
Group J - Financial Intermediation	10
Group K - Real Estate, Renting & Business	201
Group L - Public Administration & Defence	16
Group M - Education	204
Group N - Health and Social Work	158
Group O - Other Social & Personal Services	350
Group P - Private Households with Employees	0
Group Q - Extra Territorial Organisations	1
Total	1064

Northern Ireland	
Group A - Agriculture, Hunting and Forestry	0
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	0
Group E - Electricity, Gas and Water Supply	0
Group F - Construction	0
Group G - Wholesale, Retail; Certain Repair	0
Group H - Hotels and Restaurants	0
Group I - Transport, Storage & Communication	0
Group J - Financial Intermediation	0
Group K - Real Estate, Renting & Business	0
Group L - Public Administration & Defence	0
Group M - Education	0
Group N - Health and Social Work	0
Group O - Other Social & Personal Services	0
Group P - Private Households with Employees	0
Group Q - Extra Territorial Organisations	0
Total	0

Scotland	
Group A - Agriculture, Hunting and Forestry	1
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	3
Group E - Electricity, Gas and Water Supply	0
Group F - Construction	0
Group G - Wholesale, Retail; Certain Repair	6
Group H - Hotels and Restaurants	1
Group I - Transport, Storage & Communication	2
Group J - Financial Intermediation	1
Group K - Real Estate, Renting & Business	5
Group L - Public Administration & Defence	0
Group M - Education	9
Group N - Health and Social Work	5
Group O - Other Social & Personal Services	20
Group P - Private Households with Employees	0
Group Q - Extra Territorial Organisations	0
Total	53

Wales	
Group A - Agriculture, Hunting and Forestry	0
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	4
Group E - Electricity, Gas and Water Supply	1
Group F - Construction	0
Group G - Wholesale, Retail; Certain Repair	3
Group H - Hotels and Restaurants	1
Group I - Transport, Storage & Communication	0
Group J - Financial Intermediation	0
Group K - Real Estate, Renting & Business	7
Group L - Public Administration & Defence	0
Group M - Education	3
Group N - Health and Social Work	0
Group O - Other Social & Personal Services	9
Group P - Private Households with Employees	1
Group Q - Extra Territorial Organisations	0
Total	29

NB: Group O - Other Social and Personal Services includes:
Physical Well Being Activities; Sporting Activities; Radio and Television Activities and Artistic and Literary Activities