

Forming a Community Interest Company (CIC)

This resource is aimed at supporting your formation of a CIC in Rotherham.

What is a CIC?

- Can be established for any lawful purpose as long as their activities are carried out for the benefit of the community
- Have less tax advantages than a charity designed to provide purpose built legal framework and 'brand' identified for social enterprises that want to adopt the legal charity form.
- Can be more commercial than a charity e.g. pay dividends to shareholders, subject to a cap.
- A charity may own a CIC, the CIC is permitted to pass assets to the charity that owns it.
- Has statutory clauses that may not be removed. One example is asset lock that ensures assets are used for the community.

A CIC can choose from one of three company forms:

- Private company limited by guarantee
The name must end Community Interest Company or CIC
- A private company limited by shares
The name must end Community Interest Company or CIC
- Or a public limited company
The name must end community interest public limited company or 'community interest p.l.c.'

If registered out of England, please use the appropriate equivalent.

How to form Community Interest Company (CIC)?

Before beginning CIC formation please read the guidance on the Gov.uk website here:

<https://www.gov.uk/government/publications/community-interest-companies-business-activities/cic-business-activities-forms-and-step-by-step-guidelines#form-a-community-interest-company-cic>

You will need to complete the following steps:

IN01 – Application to register a company. For a template click the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/534915/IN01_V7.pdf

CIC36 – Declaration on formation of a Community Interest Company. For a template click the following link:

<https://www.gov.uk/government/publications/form-cic36-application-to-form-a-community-interest-company>

You will need to create the Memorandum and Articles of Association. This will make up the constitution for your CIC.

All mandatory clauses that relate to a CIC must be included in the articles of association.

You will need to choose a template appropriate to the type of CIC you wish to form. Click here for bespoke model constitutions:

<https://www.gov.uk/government/publications/community-interest-companies-constitutions>

Documents may be sent by post to the Registrar of Companies, with a cheque for £35 payable to Companies House.

Alternatively register online with Companies House. The filing fee for a CIC is £27 and is payable by card or paypal.

To form a community interest public limited company (community interest plc)

You will need to complete the forms as above for a CIC:

- IN01
- CIC36
- Memorandum and Articles of Association to form a constitution

There is no current template for community interest company opting for Public Limited Liability (PLC) status, offered by The Office of the Regulator of Community Interest companies. To form this status be advised to take independent legal advice.

Also:

- SH50 – Application for trading certificate for a public body

<https://www.gov.uk/government/publications/apply-for-trading-certificate-for-a-public-company-sh50>

“A community interest plc may not commence business or exercise any of its borrowing powers unless the Registrar of Companies has issued a certificate under sections 761 and 762 of the Companies Act 1985 (commonly known as a trading certificate).”

Documents must be sent by post to the Registrar of Companies, with a cheque for £35 payable to Companies House.

Converting an existing company to a CIC?

If you wish to convert your existing company to a CIC there are separate guidelines to follow. Visit the following website for full information:

<https://www.gov.uk/government/publications/community-interest-companies-business-activities/cic-business-activities-forms-and-step-by-step-guidelines#convert-an-existing-company-to-a-cic>

Post forms to the Registrar of Companies

New Companies Section (England and Wales) - Companies House, Crown Way, Cardiff, CF14 3UZ, DX 33050
Cardiff

Email: enquiries@companies-house.gov.uk

Enquiries (UK): 0303 1234 500

CIC Regulator contact information:

General enquiries - CIC Regulator, 2nd Floor, Companies House, Crown Way, Cardiff, CF14 3UZ

Email: cicregulator@companieshouse.gov.uk

24-hour voicemail service: 029 2034 6228

Working with children or vulnerable adults

CIC's that work with children or vulnerable adults have a responsibility to ensure that they have appropriate measures and safeguards in place to ensure protection of these individuals. This includes ensuring DBS checks are made on all staff and volunteers that work with children.

Support

If you are based in Rotherham and would like any support to form a CIC please contact Voluntary Action Rotherham by telephone 01709 829821 or email triage@varotherham.org.uk.

