
STATUTORY INSTRUMENTS

2005 No. 1788

The Community Interest Company Regulations 2005

PART 7

Community interest company report

General

- 26.**—(1) Every community interest company report shall contain—
- (a) a fair and accurate description of the manner in which the company's activities during the financial year have benefited the community;
 - (b) a description of the steps, if any, which the company has taken during the financial year to consult persons affected by the company's activities, and the outcome of any such consultation; and
 - (c) the information specified in paragraphs 1 to 14 of Part 1 of Schedule 6 to the 1985 Act⁽¹⁾ (chairman's and directors' emoluments, pensions and compensation for loss of office) save that the information specified in paragraphs 2 to 14 shall be given only in the case of a company which is not a quoted company.
- (2) If, during a financial year, a community interest company has transferred any of its assets other than for full consideration—
- (a) to any asset-locked body (other than by way of an exempt dividend); or
 - (b) for the benefit of the community other than by way of transfer to an asset-locked body,
- its community interest report for that financial year shall specify the amount, or contain a fair estimate of the value, of such transfer.
- (3) If—
- (a) a community interest company has provided the information required by paragraph (1) (c) in its copy of the annual accounts for the year delivered to the registrar of companies under section 242(1) of the 1985 Act⁽²⁾; and
 - (b) its community interest company report contains a statement that details of the remuneration of the directors of the company during the financial year may be found in the notes to the annual accounts of the company,
- the community interest company report need not contain the information required by paragraph (1) (c).

(1) Part 1 of Schedule 6 to the 1985 Act was inserted by schedule 4 to the Companies Act 1989. Relevant amending instruments are S.I. [1997/570](#) (regulations 2 to 6), S.I. [2001/3649](#) (article 33) and S.I. [2002/1986](#) (regulation 10).

(2) Section 242 was inserted by section 11 of the Companies Act 1985. It has been amended, but the amendments are not relevant to these Regulations.

Information about dividends

27.—(1) This regulation applies to the community interest company report of any community interest company—

- (a) which has declared, or whose directors propose to declare, a dividend for the financial year to which the report relates; or
- (b) which has declared a dividend for any of the four financial years immediately preceding that financial year.

(2) The report must state—

- (a) the amount of any dividend declared, or proposed to be declared, by the company on each of its shares for the financial year to which the report relates; and
- (b) for each of the four financial years immediately preceding the financial year to which the report relates (in so far as the company was formed and trading during that period)—
 - (i) the amount of any dividend declared and paid on each of the company's shares; and
 - (ii) the maximum dividend per share in respect of each of the company's shares.

(3) The report must also explain how the declaration or proposed declaration of any dividend declared, or proposed to be declared, by the company in respect of the financial year to which the report relates complies, or will comply, with regulations 17 to 20.

(4) The explanation provided under paragraph (3) must include details of—

- (a) in the case of an exempt dividend, why it is an exempt dividend;
- (b) in the case of any other dividend—
 - (i) the applicable share dividend cap and the maximum dividend per share for each share on which the dividend has been, or is to be, declared;
 - (ii) the amount of any unused dividend capacity distributed or to be distributed as part of the dividend declared, or proposed to be declared; and
 - (iii) the maximum aggregate dividend,and how each of these has been determined.

Information about debts or debentures on which a performance-related rate is payable

28.—(1) Where a community interest company has at any time during the financial year a debt outstanding, or a debenture in issue, to which regulation 21 applies, its community interest company report must state—

- (a) the rate of interest payable on that debt or debenture as calculated over a 12 month period ending with the most recent date on which interest became payable in respect of that debt or debenture during the financial year; and
- (b) the applicable interest cap applying to that debt or debenture,

and how each of these has been determined.

(2) Where the company has at any time during the financial year a debt outstanding, or a debenture in issue, to which regulation 21 does not apply, but on which a performance-related rate is payable, its community interest company report must state—

- (a) the rate of interest payable on that debt or debenture as calculated over a 12 month period ending with the most recent date on which interest became payable in respect of that debt or debenture during the financial year; and
- (b) why regulation 21 does not apply to that debt or debenture.

Application of the 1985 Act

29.—(1) The following provisions of the 1985 Act shall apply to the community interest company report as they apply to the directors' report:

- section 234A**(3)** (approval and signing of directors' report);
- section 238**(4)** (persons entitled to receive copies of accounts and reports);
- section 239**(5)** (right to demand copies of accounts and reports);
- section 241**(6)** (accounts and reports to be laid before company in general meeting);
- section 244**(7)** (period allowed for laying and delivering accounts and reports);
- section 245(1) and (2) **(8)** (voluntary revision of accounts or directors' report); and
- section 252(1), (2) and (4) **(9)** (election to dispense with laying of accounts and reports before general meeting).

-
- (3)** Section 234A of the 1985 Act was inserted by section 8(1) of the Companies Act 1989.
 - (4)** Section 238 of the 1985 Act was inserted by section 10 of the Companies Act 1989. Relevant amending instruments are S.I. [2000/3373](#) (article 12) and S.I. [2002/1986](#) (regulation 10).
 - (5)** Section 239 of the 1985 Act was inserted by section 10 of the Companies Act 1989. Relevant amending instruments are S.I. [2000/3373](#) (article 13) and S.I. [2002/1986](#) (regulation 10).
 - (6)** Section 241 of the 1985 Act was inserted by section 11 of the Companies Act 1989. It has been amended by S.I. [2002/1986](#) (regulation 10).
 - (7)** Section 244 of the 1985 Act was inserted by section 11 of the Companies Act 1989. It has been amended by regulation 10 of S.I. [2002/1986](#) and by regulation 9 of S.I. [2004/2947](#).
 - (8)** Section 245(1) and (2) of the 1985 Act was inserted by section 12 of the Companies Act 1989. Relevant amending instruments are S.I. [2002/1986](#) (regulation 10) and S.I. [2004/2947](#) (regulation 10 and paragraph 11 of Schedule 1).
 - (9)** Section 252(1), (2) and (4) of the 1985 Act was inserted by section 16 of the Companies Act 1989.