Appendix 7. Company structures – chief characteristics.

1. COMMUNITY INTEREST COMPANY (CIC)

CIC's are seen as being better placed to access grant funding because of the limitations on the use of the grants only for the benefit of the community. A CIC:

- must be a limited company
- cannot have charitable status
- cannot transfer its assets for less than market value (unless to another specified CIC or charity)
- has to be more transparent than other limited companies (it has to file an annual community interest company report giving details of its activities, including assets transferred for less than market value, dividends paid and the remuneration of directors)

2. CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES (CCB)

A CCB operates and is structured in much the same way as a limited company. Legal liabilities will be Its own liabilities rather than those of its members. Members' liabilities are limited to the share capital they hold and the amount of any unpaid share capital.

A CCB must have a minimum of three members.

The fundamental difference between a CCB and a limited company is that a CCB must carry on an "industry, business or trade" (not just be a holding company) and this is a continuing requirement.

3. LIMITED LIABILITY PARTNERSHIP (LLP)

Key features of an LLP are:

- an LLP is a body corporate with a legal entity separate from its members;
- an LLP has unlimited capacity and can do anything that a legal person can do;
- members have limited liability;
- an LLP is taxed as a partnership;
- it has the organisational flexibility of a partnership (e.g. the members are free to agree how to share profits, who is responsible for management, how decisions are made, how new members are appointed or existing members retire;
- it has no share capital;
- its accounting and filing requirements are broadly similar to those of a limited company.