



## Choosing a legal structure

### Northern Quarter Greening CIC

Northern Quarter Greening is a group set up by local residents to try and make the Northern Quarter in Manchester a greener, more pleasant place. They work with local organisations and volunteers to try and bring about sustainable and lasting improvements to Manchester's green credentials.

They rely entirely on charitable donations and grants, as well as members' pockets. They are committed to making the Northern Quarter a greener, more wildlife friendly place for the benefit of all.

The group contacted us for support when they received two letters, one from HM Revenue and Customs and one from Companies House. HMRC indicated that they believed that the Northern Quarter Greening CIC was a dormant company. Companies house were asking for the annual return for the CIC. The annual return is requested on the anniversary of the incorporation of the company



We discussed whether the company was dormant and after a brief assessment it became clear that the Company had applied for and received grants to carry out their activities and they therefore had an income and were an "Active" company. We suggested that they contact a local accountancy service for help in preparing their annual accounts and annual return.

The group are also investigating the filing requirements for filing online with Companies House for accounts and their annual return. The CIC had been created as the preferred legal structure because this allowed them to fund raise e.g. via a website. The group is now reconsidering its position, in view of the additional reporting requirements of an incorporated organisation for a small scale community led group.

For more information on choosing the right structure for your community activity, visit: [www.getlegal.org.uk](http://www.getlegal.org.uk)

For legal updates on governance issues visit Sandy Adirondacks website: [www.sandy-a.co.uk/legal.htm](http://www.sandy-a.co.uk/legal.htm)

For information about annual returns and annual accounts for companies, visit: [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)



For information about taxation matters, visit: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**If you are in any doubt about the requirements for reporting to regulators or HMRC contact them and let them know your situation, always take legal advice where appropriate.**