

Legal Structures at a Glance

This chart provides a quick comparison of the legal structures most commonly used by voluntary and community organisations, including social enterprises. It highlights governance, liability, asset locks, and charitable eligibility.

Legal Structure	Summary / Typical Features	Governance & Constitution	Separate Legal Identity?	Can Activities Benefit Those Who Run It?	Assets Locked for Community Benefit?	Eligible for Charitable Status?
Unincorporated Association	Informal; no general regulation; rules set internally.	Governed by own rules.	No – members personally liable.	Depends on rules.	Requires bespoke drafting.	Yes, if criteria met.
Trust	Holds assets; separates legal ownership from economic interest.	Trustees manage assets for beneficiaries under trust deed.	No – trustees personally liable.	Not usually; trustees can only benefit with permission.	Yes, if established for community benefit.	Yes, if criteria met.

Disclaimer

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Company Limited by Guarantee	Common corporate structure; flexible for many purposes.	Directors manage on behalf of members; flexible rules.	Yes – liability limited to guarantee.	Yes, but no dividends to members.	Requires bespoke drafting in articles.	Yes, if criteria met and articles include required provisions.
Community Interest Company (CIC)	Limited company designed for social enterprise; includes asset lock.	Governed like other companies, with added regulation for community benefit.	Yes – liability limited.	Yes, but must benefit wider community; limited dividends allowed.	Yes – standard provisions required.	No, but can convert to charity if CIC status ends.
Community Benefit Society	Owned by members; one-member-one-vote; must benefit wider community.	Committee/officers manage democratically.	Yes – liability limited to shares.	Must primarily benefit non-members.	Yes – statutory asset lock available.	Yes, if criteria met.
Charitable Incorporated	Corporate structure designed specifically for charities.	Similar to companies but with	Yes – members have no or	Members cannot benefit; trustees	Yes – built in.	Must be a charity and meet criteria.

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Organisation (CIO)		charity-specific terminology.	limited liability.	only with permission.		

Notes

- **Unincorporated structures** are simple but expose members to personal liability.
- **Incorporated structures** provide legal personality, limiting liability and enabling contracts and property ownership.
- **Asset locks** ensure community benefit by preventing distribution of assets to private individuals.
- **Charitable status** brings tax benefits but requires compliance with charity law and regulation.

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