

What is a Social Enterprise?

This fact sheet is designed to...

- clarify thoughts of setting up a social enterprise
- think about the possible issues
- improve your social enterprise success
- be more aware of the support that is available



Definition of a Social Enterprise

A Social Enterprise (SE) is a trading business with the primary goal of achieving social and/or environmental benefits. SE's differ from charities and voluntary organisations that lack financial independence through trading income.

The Memorandum and Articles of Association / Governing Documents of an SE mandate the retention of profits for reinvestment in the business or the beneficiary community.

The Memorandum and Articles of Association instruct that upon dissolution, the assets of the SE are transferred to another organisation with similar objectives or fully utilized for a suitable social purpose.

A legally incorporated body can take various forms, including limited company, company limited by guarantee, registered charity, charity incorporated organisation (SIO), community interest company (CIC), co-operative & community benefit societies, Credit Unions, in accordance with the guidance from www.gov.uk/set-up-a-social-enterprise.

Must be distinct from public sector and cannot be the subsidiary of a public body.

Have a voluntary board of directors giving you the governance/strategic direction of the organisation, ensuring compliance with statutory duties.

Further resources are available on our website www.socialenterpriseni.org.



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Characteristics of a Social Enterprise:

- Have a product or services that will generate income through your target market(s)
- Have a clearly identified social mission
- Generate the majority of its income (or aspire to in the future) through the sale of your product/service business activity
- Re-invest its profits into a social mission
- Make a social impact on your identified social mission

Social Enterprise vs Charity



- A Charity relies heavily on funding for its income stream to meet its social mission
- A Social Enterprise may include a mix of income streams, predominately relying on selling goods/services
- Social Enterprises view profit as crucial for the organisations sustainability
- Charities do not make a profit due to the reliance on funding support

Get Further Support

Become a member of Social Enterprise Northern Ireland

- We provide excellent membership benefits available to all social enterprises.
- Membership is FREE until you have a turnover of over 20k per annum.
- Visit our website for more information.

Signposted for mentoring support to either:

- Local Council support programme
- Local Enterprise Agency support programme
- Other identified strategic partner mentor programmes e.g., Ulster Bank Accelerator Hub, Catalyst etc

Business Planning – signposted to one of our strategic partners who can support you:

- Offer discounted business & marketing plan development
- Offer discounted board recruitment pack development & recruitment
- Offer discounted HR support, payroll and finance reporting services
- Offer discounted social media training
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Examples of Pro Bono or Discounted services from our Strategic Partners

- HR advice and recruitment discount with Hays Recruitment
- Insurance evaluation and no obligation quotation from Lockton Insurance
- Legal advice – Free first meeting with Edwards & Co Solicitors
- Confidential Shredding – discounted rate for confidential shredding services from UShred

Next Step

- To discuss any of the above services, please email amanda@socialenterpriseni.org



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