



Social Enterprise NI

EMPOWERING PROFIT WITH PURPOSE, INSPIRING LASTING IMPACT.

Fact Sheet 1 – What is a Social Enterprise?

Introduction

These fact sheets have been produced by Social Enterprise Northern Ireland as a resource and a starting point on your journey of setting up a social enterprise.

This fact sheet is designed

- To clarify your thinking about setting up a social enterprise
- To get you thinking about some of the issues
- To improve your chance in running a successful social enterprise
- To make you aware of some of the support that is available to you

Definition of a social enterprise

1. A Social Enterprise (SE) is a trading business – selling goods and services – but who's primary objective is to achieve social and/or environmental benefit. SE's are different from those charities and voluntary organisations who do not have financial independence through trading income.
2. The Memorandum and Articles of Association / Governing Documents of an SE will include the requirement that profits are retained for reinvestment in the business or the beneficiary community.
3. The Memorandum and Articles of Association will require that upon dissolution, the assets of the SE are transferred to another organisation with similar aims and objectives or applied in full for an appropriate social purpose.
4. A legally incorporated body can take a number of 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
5. Must be distinct from public sector and cannot be the subsidiary of a public body.
6. Have a voluntary board of directors to give you the governance and strategic direction of the organisation and ensure you comply with the statutory duties

Characteristics of Social Enterprises are the following:

- Have a product or services that you will **income generate** from via your identified 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 or service business activity
- Re-invest its profits into the social mission
- Make a social impact on your identified social mission



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Difference between a Social Enterprise and a Charity

- A Charity relies heavily on funding for its income stream to meet its social mission, whereby a Social Enterprise may have a mix of income streams but will predominately rely on the sale of their goods or services to sustain the organisation
- Social Enterprise have a clear business focus where profit is a necessity to sustain the organisation.
- Charities do not make a profit due to the relevance on funding support

Get Further Support

- **Become a member**
 - Social Enterprise NI is open to all social enterprises across the country and has various benefits, to find out more [CLICK HERE](#). Please note membership is **FREE** until you have a turnover of **20k plus per annum**.
- **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 and fellow social enterprise Viable Corporate Services, who can support you in the following areas:
 - Offer discounted business plan development
 - Offer discounted marketing plan development
 - Offer discounted board recruitment pack development & recruitment
 - Offer discounted payroll and finance reporting services
 - Offer discounted social media training
 - Offer discounted HR support
- **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**
 - If you would like to avail of any of the above services, please email amanda@socialenterpriseni.org