



What is a social enterprise?

Social enterprises are businesses that do not distribute profits in a traditional way but they plough those profits back into the business to fulfil social objectives or to invest in the business or workforce.

Social enterprise is a concept, a way to do business not a type of legal form

A social enterprise can adopt many different legal forms and structures some of them are:

- Company Ltd By Guarantee
- Company Ltd By Shares
- Industrial and Provident Societies-Some Co-operatives and Community Benefit Societies

In addition to the legal forms you can also have either Community Interest Company or Charitable Status to complement your legal form and to ensure the benefits of your trading and assets contribute to your social objectives.

Main characteristics that can be found in a social enterprise are:

- Their income is a **mixed bag** of trade income and grants
- They are motivated by **social values**
- Their **ownership** can be private (investors) and **social** (stakeholders)
- **Reinvests surpluses** to achieve social objectives
- **Asset lock** stops private gain when winding up - must be clearly agreed
- Creates **local employment** and training opportunities for hard to reach groups
- Creates **local wealth**
- Can **provide services** where others can't or won't
- Can provide a responsive and **flexible** approach

Are you a social enterprise?

If you respond yes to the questions below -especially 1, 2 and 3- you are likely to be a social enterprise:

1. Trading activity - Are you directly involved in producing goods or providing services to a market? E.g. running a shop, selling goods or services, including to public sector organisations, providing training, or generating a membership.
2. Social Aims - Do you have explicit social, community and/or environmental aims?
3. Trading surplus reinvested - Are your profits/surpluses principally reinvested to achieve your social objectives?
4. Partnership based - Are you currently engaged in or intending to develop partnerships with businesses, statutory/public organisations or community groups?
5. Enterprise Orientation - Do you have a culture that is business orientated? Your enterprise activities may be very small now but you may have ambitions to develop these.

If you think you are a social enterprise let us know and complete our survey

http://www.surveymonkey.com/s.aspx?sm=qaOD2jvUFghhUH9GPRVamw_3d_3d

For examples of social enterprises please go to

http://www.wssen.org.uk/page/case_studies/