



# Social Enterprise

## Social Enterprise Factsheet

### What is a social enterprise?

A social enterprise is a business that exists primarily to achieve **social, economic or environmental goals**. It earns income by selling goods or services and reinvests most of its profits into its mission rather than sharing them with shareholders. Social enterprises work in various sectors—including health, education, retail, and technology—and are intended to benefit the public.

Although there isn't just one legal form for social enterprises, many are registered as Community Interest Companies (CICs), trading subsidiaries of charities, cooperatives, or private companies limited by guarantee with a social purpose with an asset lock. They are known for combining entrepreneurial methods with a commitment to positive social change.

### Key characteristics of social enterprises

- **Purpose-driven:** focused on social, economic, or environmental impact
- **Profit reinvestment:** profits are directed toward the mission
- **Trading-based:** income is earned through commercial activities
- **Independence:** operates independently of private ownership for personal profit

## Sector overview

As of 2025, the UK is home to over 131,000 social enterprises, contributing £78 billion to the economy and employing 2.3 million people. These enterprises span a wide range of industries.

**131,000**

**Social  
enterprises**

**£78 Billion**

**To the  
economy**

**2.3 Million**

**People  
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## Legal Structures

Social enterprise is a concept, not a legal form. Common legal structures include:

- **Community Interest Companies (CICs)**
- **Trading subsidiaries of Charities**, including Charitable Incorporated Organisations (CIOs)
- **Private Limited Companies limited by guarantee**
- **Cooperatives and Mutuels**, such as Community Benefit Societies, Credit Unions, and Friendly Societies

### Community Interest Companies (CICs)

CICs remain one of the most popular legal forms for social enterprises. According to the CIC Regulator's 2025 report, CICs continue to grow in number and impact across sectors. They are widely recognised and trusted for delivering public benefit.





## Benefits



- Tackle local challenges and empower communities
- Promote environmental sustainability and innovation
- Adapt flexibly to market changes, public sector priorities, and procurement opportunities
- Builds innovation through creative approaches to social, economic, and environmental issues
- Creates trust and reputation through a strong social mission, attracting service users, customers and stakeholders
- Access ethical investment and grant funding
- Directors can be paid and often have broader decision-making authority than charity CEOs

## Challenges

- Balancing mission with financial sustainability
- Limited access to traditional finance, though social investment options are growing
- Navigating a more complex legal and regulatory landscape than standard businesses
- Public awareness is improving, but still lower than for charities or private companies
- Some grant funders do not yet fully recognise social enterprises, though this is changing
- Capacity constraints and skills gaps can hinder growth and scalability

## Final thoughts

Social enterprises are reshaping the economy by prioritising people and the planet. With growing public support and evolving legal frameworks, they are well-positioned to lead inclusive, innovative, and sustainable change.



## Resources

**Social Enterprise UK** – A national body, Social Enterprise UK is a major membership and network organisation, providing research, resources, and support.

**Salford Social Enterprise City** – Brings together businesses, support organisations, and the public sector to grow the local social economy, support innovation, and create inclusive opportunities.

**Salford Sup** – Is part of Salford Social Enterprise City and hosts quarterly networking events for social entrepreneurs, with the opportunity to pitch for seed funding.

**Salford CVS** – Social Enterprise Network – It's a peer support network led by our Social Enterprise Development Worker.

**Flourish CIC** – Supports women social entrepreneurs in Greater Manchester.

**CIC Regulator** – Further information about Community Interest Companies

**Companies House** – Information about setting up a CIC on Companies House

**Good Finance** – Supports charities and social enterprises in navigating the world of social investment.

**GM Growth Hub** – provides business support, including funding advice and training.

**Our Business GM** – is a platform that supports Greater Manchester's social economy by connecting social enterprises, cooperatives, and community organisations. It offers resources, funding opportunities, networking, and practical tools to help these organisations grow, collaborate, and build community wealth across the region.

**School for Social Entrepreneurs (SSE)** – Offers learning programmes, mentoring, and Match Trading grants to social entrepreneurs.  
**UnLtd** - Supports early-stage and growing social entrepreneurs, including funding, coaching, and networking opportunities.