



Setting up a social venture: why, and how?_____

Social Enterprise East of England
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Taylor Vinters 

Presented by



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Emma is a dynamic and enthusiastic lawyer with a calm, problem-solving attitude. Emma works exclusively with our charity and social venture clients helping them with a range of commercial and strategic projects including governance, managing risk and contract management processes.

Emma is especially interested in developing purpose-led legal structures for social ventures and helping clients manage the complex implications of such models for internal governance and funding relationships.

Outline



- What's a social venture, and why do people set them up?
- Legal structures and starting a company
- Key questions and social venture models
- Legal checklist for setting up and launching a social venture
- Discussion and questions
- Helpful links

If you have a question during the webinar, please use the chat box.



Part 1: What's a social venture, and why do people set them up?

allbirds



TOMS



The mission...



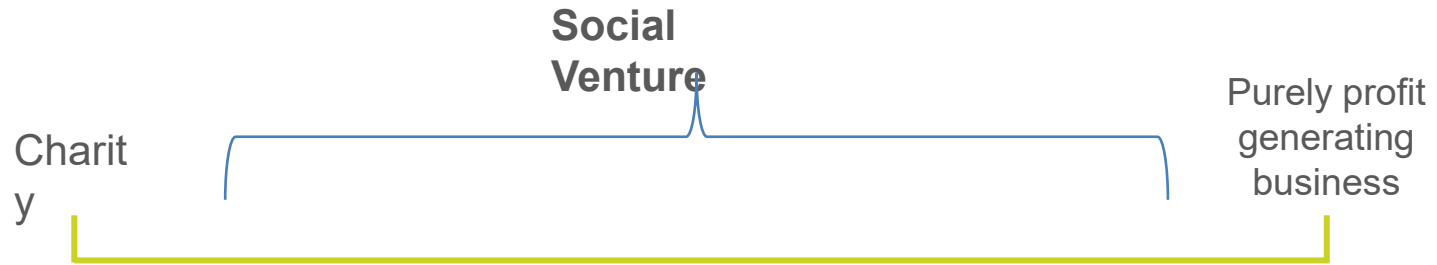
“We must try to influence everyone running a business that there is a better way to do business... Rather than getting rich and then solve the world’s problems why don’t we combine the two and through the course of business, rather than charity, each make a positive difference?”

Karen Lynch, CEO, Belu



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advice

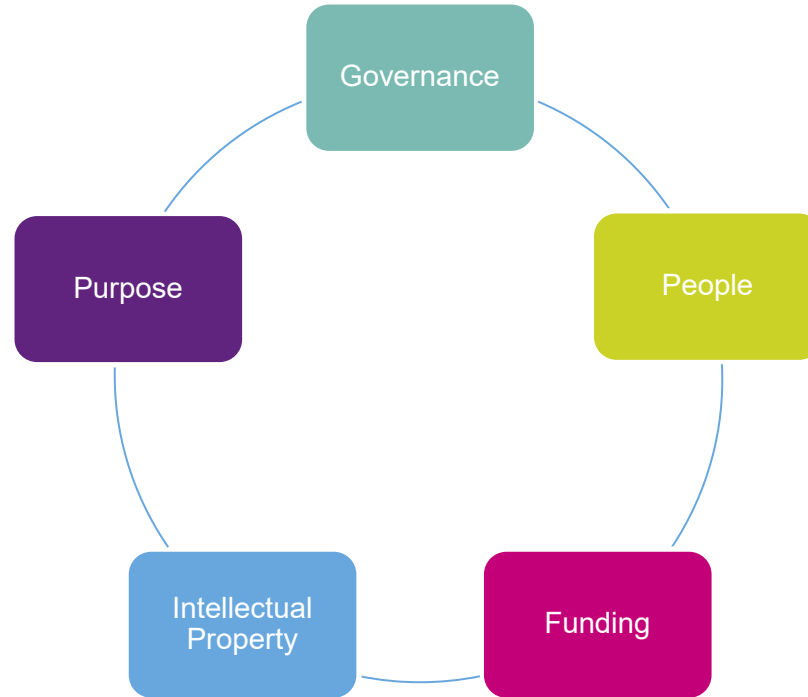
Social Venture scale



The social venture equation



The key questions for starting a social venture



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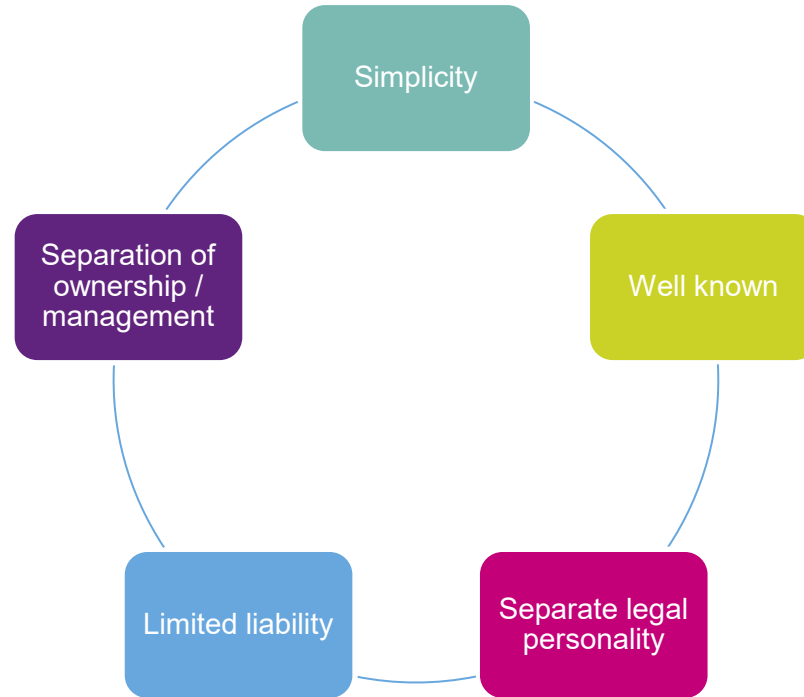
Part 2: Legal structures and starting a company

Legal structure options



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Why are companies popular?



Key types of companies



Legal structure	Owner(s)	Manager(s)	Suitability
Private Company Limited by Guarantee	Member(s)	Director(s)	More like a charity. Limits on profit, but also investment.
Private Company Limited by Shares	Shareholder(s)	Director(s)	More like a business. Freedom on profit, but limits on grants.

↓

Powers under Articles = overall control

↓

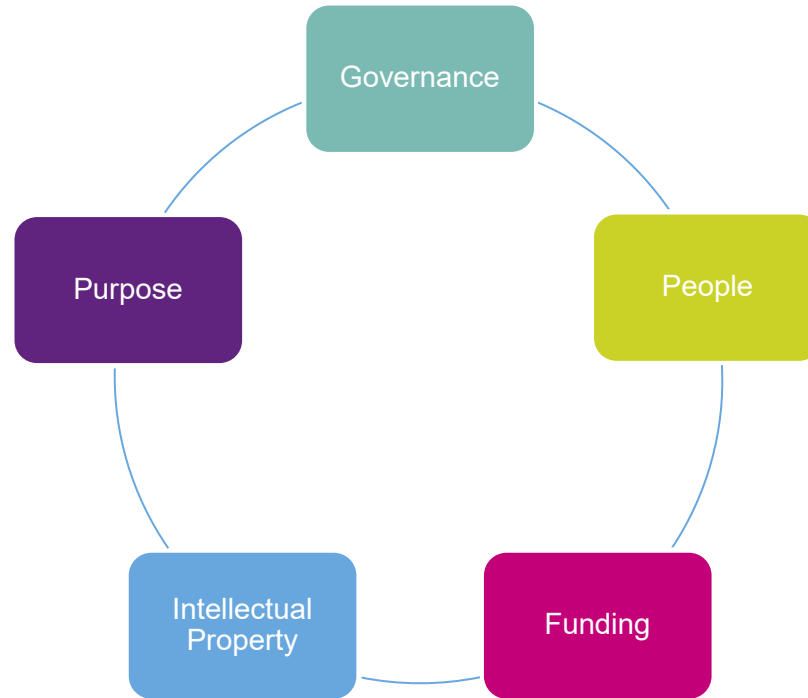
Day to day control + legal duties & responsibilities

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Part 3: Key questions and social venture models

The key questions to pick your social venture model



How are social ventures funded



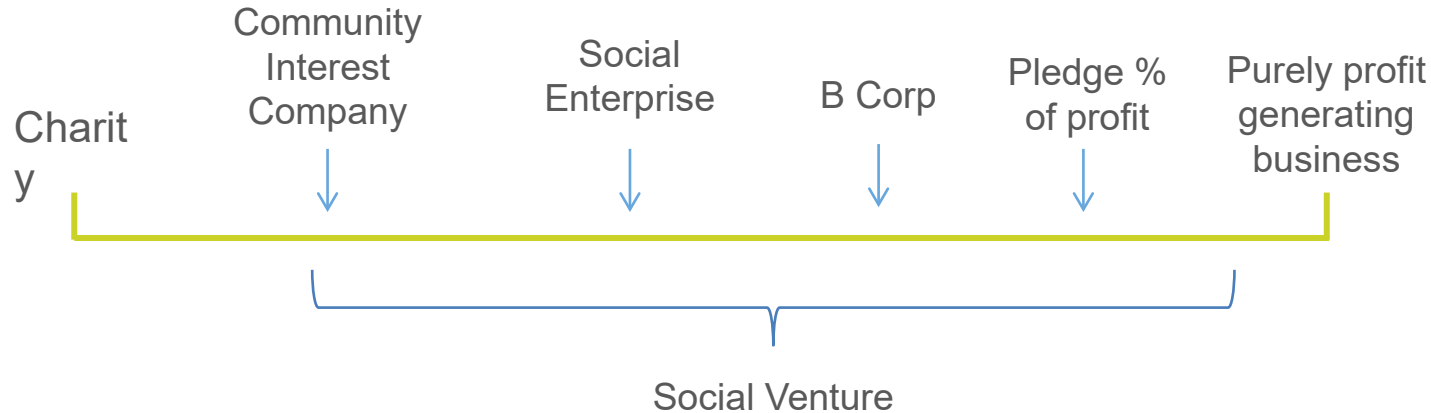
Investment //
debt

Revenue

Grant
funding //
crowdfund

Licence //
franchise

The Social Venture scale and different models



Movements



Businesses that trade with a social purpose



Movement that believes that “good” tech can save the world



Businesses that meet the highest standards of verified social & environmental performance, public transparency and legal accountability to balance profit and purpose



Part 4: Legal checklist for setting up and launching a social venture

Company constitution: Articles of Association



Must have!

Company rules

Published online with
Companies House

Require 75% approval
to change
(shares/members)

Key clauses for social
ventures:

- Social purpose ("Objects clause")
- Asset lock (sometimes)
- Dividend restrictions (sometimes)

Application



Form IN01



£12 web
incorporation fee



Typically registered
within 5 working
days (but you can
use same day
incorporation
which incurs a £30
fee).

Must have!

Key points for social
ventures:

- Can incorporate with
'model articles' but need to
replace them to be a
social venture
- CICs have a different

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Company name



Must have!



Key points for social ventures:

- Special criteria to use the word 'Foundation' (or 'charity')
- Special criteria to drop 'limited' from name
- CICs don't use 'limited'

Companies House

[Companies House does not verify the accuracy of the information filed](#)

[Sign in / Register](#)

Company name availability checker

Enter proposed company name

Search

Shareholders' / Members' Agreement



Private contract

More detail

Voluntary

Should have

Key points for social ventures:

- Impact reporting
- 'Entrench' key social venture clauses
- Profits and expectations

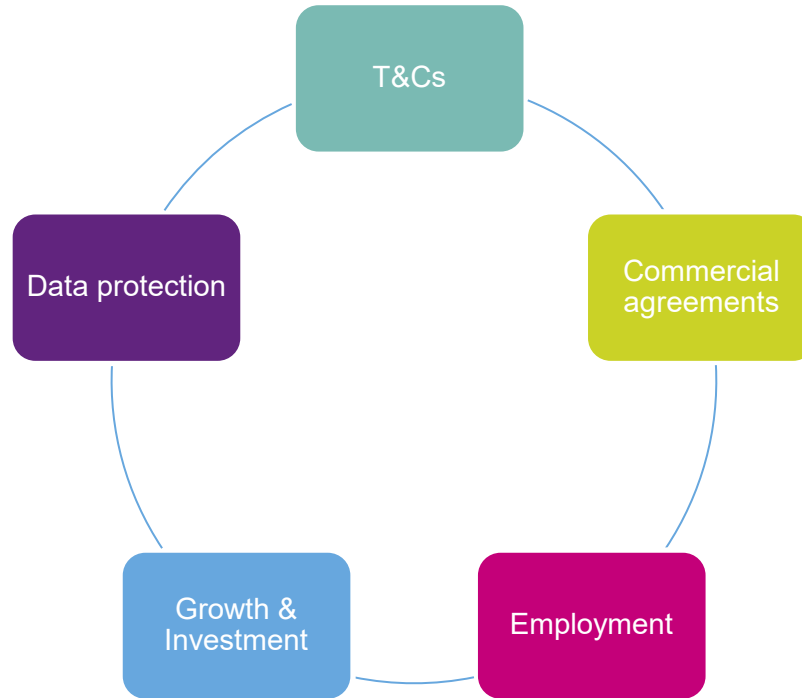
Private Company Limited by Guarantee = Members' agreement.

Private Company Limited by Shares = Shareholders' agreement.

Post set-up



Planning ahead



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Part 5: Discussion and questions

Any questions?



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Part 6: Helpful links



Helpful links

- **Model Articles of Association** - <https://www.gov.uk/guidance/model-articles-of-association-for-limited-companies>
- **How to set up a private limited company-** <https://www.gov.uk/set-up-limited-company>
- **Being a company director** - <https://www.gov.uk/guidance/being-a-company-director>
- **Board skills audit** - <https://reachvolunteering.org.uk/guide/how-complete-skills-audit>
- **Guidance from gov.uk on choosing a company name** - <https://www.gov.uk/limited-company-formation/choose-company-name>
- **Virtual pop-ups with Taylor Vinters** - <https://www.taylorvinters.com/virtual-pop-up>