

# Palm Cove Society

## What is a Community Interest Company?

**A Community Interest Company (CIC)**, is a new type of company introduced by the Government in 2005. A CIC is a company, designed for social enterprises that want to use their profits and assets for the public good. A CIC is bestowed with all flexibility and certainty of company form, but with some special features, such as asset lock to ensure that a company's assets work for the benefit of the community.

**A Social Enterprise** is a business with primarily social objectives, whose surpluses are principally reinvested for that purpose, either in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. Social enterprises, tackle a wide range of health, social and environmental issues and operate in all parts of the economy. By using business solutions to achieve public good, the Government recognises that social enterprises have a distinct and valuable role to play in helping to create a strong, sustainable and socially inclusive economy.

**Asset Lock:** Companies that did not have charitable status, found it difficult to ensure that their assets were dedicated to public benefit, as there was no clear way of locking in assets for a public purpose, other than applying for charitable status. However, Community Interest Companies have a government appointed regulator who considers whether applications meet criteria to become a CIC by way of asset lock. If satisfied, the regulator advises the registrar in Companies House who, providing all the documents are in order, issues a certificate of incorporation as a CIC.

**Social Entrepreneurship** is the work of a Social Entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas business entrepreneurs typically measure performance in profit and return, social entrepreneurs assess their success in terms of the impact they have on society and often work through government departments, non-profit societies and citizen groups.

Palm Cove Society – Making a difference to people's lives.