



HOW TO MAKE  
MONEY  
WORK FOR  
GOOD

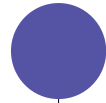
SOCIAL INVESTMENT



NatWest

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# YOUR SOCIAL INVESTMENT STARTING POINT

*We present a selection of thought-provoking features and our unique A-Z guide to social investors and advisors*

This issue of *Pioneers Post* is being published to coincide with Good Deals + Beyond Good Business, the most important social enterprise and social investment conference of 2018.

The first Good Deals event, run by the *Pioneers Post* team, took place in the midst of the financial crisis of 2008 – an opportune time to think about new ways of making money work in more positive ways – and it has inspired, informed and connected hundreds of social entrepreneurs, policymakers and social investors over the years. (In fact, in the coming weeks we're going to bring you a story of an investor and an investee who met at the first ever Good Deals.)

Nine years ago, we published *The Social Investment Almanack*, which introduced this exciting new field of work to many people and included a directory of the first players in the social investment market.

Looking back, we've come a long way since then: social impact bonds have demonstrated a new way to fund public services, the UK's

Big Society Capital has inspired other social investment wholesale organisations around the globe, ministers have come and go with varying passions for supporting our work and – most of all – billions of pounds from investors, philanthropists and governments have been used in new ways to support positive social change around the world.

So it is a good time to publish this *Pioneers Post Special Guide to Social Investment*. At Good Deals + Beyond Good Business, a number of key issues will be explored by speakers and delegates, and we will report upon these online and in the next magazine in the coming months. In the meantime, we present this selection of thought-provoking – sometimes challenging – articles written by leading figures in the social investment world which, we are sure, will complement the event's debates.

Alongside this, you will find the *Pioneers Post A-Z of Social Investment* which starts on page 53, our unique guide to social investors and advisors in the UK. If you are looking for social investment, here is your starting point. ■

We are pleased to work in partnership with Good Finance, an online resource which aims to help charities and social enterprises navigate the world of social investment. See [www.goodfinance.org.uk/investors-advisors](http://www.goodfinance.org.uk/investors-advisors) for more about social investors.



# PEDALS AND PULLEYS

*Welcome to the Heath Robinson-esque world of social finance,  
says NatWest's head of community finance and social enterprise, Mark Parsons*

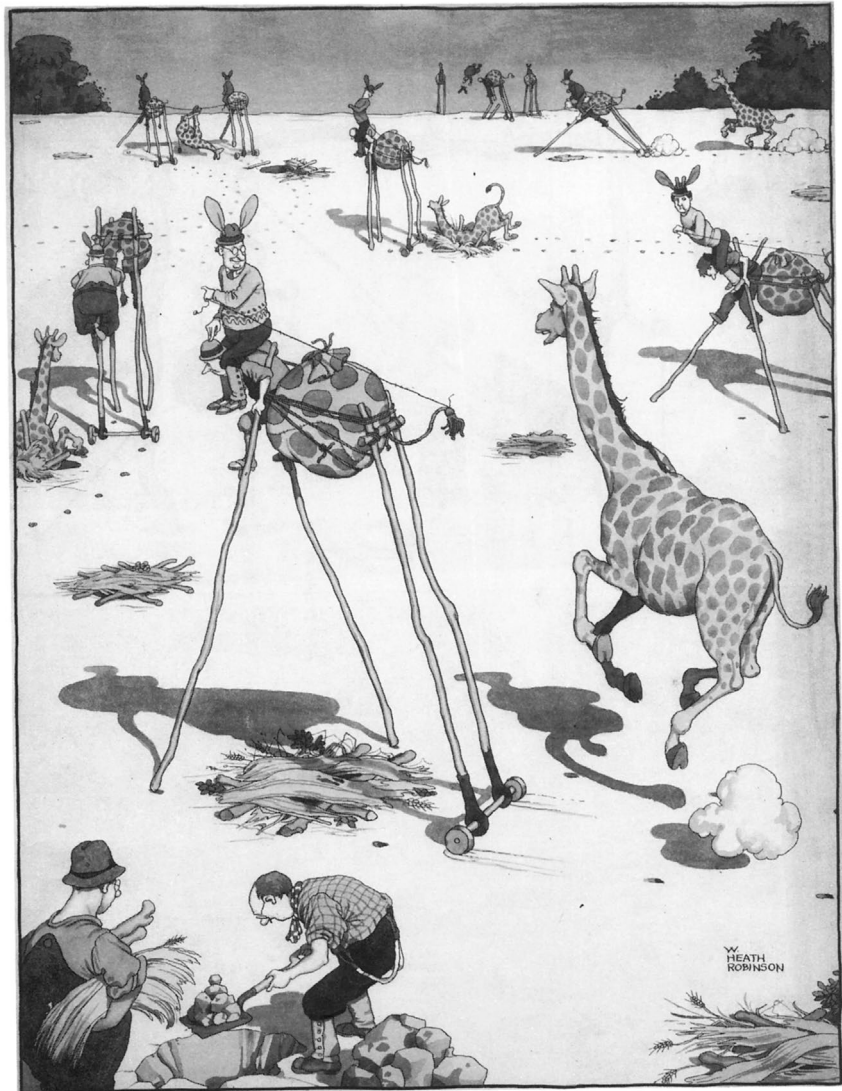
There are cogs and cranes, pedals and pulleys, candles and cables. If you've ever seen William Heath-Robinson's cartoons (like the one on the right) you'll know that he takes a very simple task, like peeling a potato or cooling down hot food and he draws a machine so ingenious, so complex and so contrived (and usually massive too) that completes the task, step by exaggerated step.

The cartoons are so popular that they now have their own museum and remain a byword for a system or process that is highly complicated in the pursuit of what should be quite a simple goal.

To your average community business, the social finance sector may look like one of Heath Robinson's machines. It must be extremely difficult for potential customers to make sense of the bewildering array of options available to them.

Our job in this guide is to help guide you through this market, and, in the A-Z section, you will find many investors and advisors who can help to break down some of these barriers, demystify and enlighten. Additionally, the collection of writing by leaders in the social investment world will provide insight on trends and developments and helpful tips on making the market work for you and your social enterprise.

I hope after reading it you'll be more confident to explore your options, know better how to get the finance you need and then get on with delivering more social impact to disadvantaged communities – that's one outcome that we can all agree on. ■



Decoying the Giraffe

# THE SOCIAL INVESTMENT JOURNEY

NICK TEMPLE

Someone once said to me that when people say, “we’re on a journey”, it’s code for, “it’s taking a lot longer than we expected and it’s way more complicated than we thought”. Well, social investment has been on a journey, and Social Investment Business has been on that journey for longer than most. We’re now in our 16th year.

I worked at Social Enterprise UK for more than six years, and we consistently reiterated the need for social investment to be shaped around the needs of the charities and social enterprises it is there to serve. And critically, not to neglect the fact that those same organisations require customers and markets to have viable business models. Only then can they even consider if social investment is right for them.

Thankfully, the ground has definitely shifted. No longer are social enterprises and charities merely viewed as “pipeline” or “deal flow” that social investors need in order to “get money out the door”. Instead, their needs as organisations looking for flexible, aligned and appropriate finance are recognised. Even better, social investment is seen more widely as a tool that can help them sustain and grow their impact. Hurrah – time for a brief cheer!

It’s only a brief cheer though because challenges obviously remain.

Firstly, it is small and medium-sized social sector organisations which are being squeezed most and which need the smaller, riskier, cheaper and more patient money that is still rare. Access’ Growth Fund is starting to supply more of this but there is

always more that can be done.

Secondly, what could be called “stakeholder inequality” is very much in evidence. Sadly, funders and investors are often given higher priority than investees or the people they actually support. This needs to change.

Thirdly, potential social impact is rarely truly factored in with risk and price in deals. Admittedly, this is difficult to do, but if we’re really serious about social investment being about social and financial returns then we must get better at it.

Finally, everyone is working on thinner margins and business models that creak a bit more each year – including the lenders and intermediaries. And I almost got through this whole piece without mentioning Brexit. We are still a long way from understanding its impact on the economy, and the widening geographical and generational divides that the referendum exposed.

However, there are still reasons to be cheerful. One, there is far more collaboration and partnership between different social investors, which has become easier as our respective niches and specialisms have become clearer.

Two, the data and transparency agendas have also moved a long way. I think improvements in this area hold much promise for a better informed, better functioning social economy.

And three, we are seeing more customer feedback and involvement in the design and operations of funds. As a result, and with better analysis, we have a better

understanding of what support best helps charities and social enterprises.

Social Investment Business certainly has a significant role to play in some of these areas, and that is part of the reason why I joined in January. It is a knowledgeable team, and I’ve already started to learn from their experience. I’m also equally keen to understand what charities and social enterprises think we should do differently.

We have a long track record to draw on, and we need to build on that with a sense of purpose and proactivity. We recently published a research report, *Strength in Numbers*, that looked at all of the investment and contract readiness programmes we’ve managed in recent years. I want us to share more analysis like this in the future in order to share the lessons we’ve learned and how we can all make our work more effective.

I also want us to collaborate more with others. The challenges we’re trying to solve are big and by joining forces we have the best chance of success. Expect to see more on this in the coming months.

In short, we need to work out how we can make the biggest difference we can with the people, money and skills that we have. That’s our journey, and one we can only go on through working with and listening to the charities and social enterprises we’re here to support. ■



Nick Temple is the chief executive of Social Investment Business

# WHY WE MUST EMBED THE SOCIAL IN SOCIAL INVESTMENT

NIAMH GOGGIN



Created by Freepik and Pioneers Post

## WHAT'S THE PROBLEM?

David Floyd, in the report of the Alternative Commission on Social Investment published in March 2015, coined the apposite question, “What’s social about social investment?” David explored the different definitions of social investment, generally developed by policy makers and/or social investors, which focused on the repayment of capital and an expectation of both a financial return and a social impact, from the investment. He went on to investigate the expectations of those social sector organisations receiving the social investment and highlighted: “The practical expectation of social sector organisations and support organisations was that social investors would be able to offer more generous terms than mainstream finance or would invest in organisations that the mainstream wouldn’t.”

The social investment sector, led by Big Society Capital, has tried to ensure that a financial input produces a social impact. The social investees (charities, voluntary organisations and social enterprises) are concerned about the social input by investors. What has been overlooked is the extent to which policies and processes embedded within social investment sector are influencing the way we work.

The care home sector is an interesting parallel. We have seen the impact of private equity deals financed by high levels of debt on the sector. We know that regulators monitor outcomes for residents such as dignity and personal safety. However, there is also a crucial focus on who works in the sector and their training and experience.

Social investment will not be social unless its people and processes reflect an ethos, values, expertise and commitment

rooted in experience of the challenges and opportunities it seeks to address.

## HOW IS THE PROBLEM MANIFESTED?

I have worked in the broad social finance sector since 1994, moving from microfinance volunteer to first chair of the UK Community Development Finance Association (now Responsible Finance) to Charity Bank and many years of consultancy experience. My comments here are rooted in a genuine concern that we need to rebalance social investment in the following ways.

## RECRUITMENT: EXCELLENCE VS APPROPRIATENESS

It’s about fairness, diversity but also about who is most appropriate for a role. We have many super-bright, extraordinarily well-educated people working in social investment. Their CVs are glistening with the names of famous financial, consulting and legal firms: Morgan Stanley, JP Morgan, UBS, Goldman Sachs, Boston Consulting Group. However, I don’t see a process which assesses whether that education and that experience are what is needed in the social investment sector.

What are the skills and experience needed to invest successfully to support those people and organisations that are tackling complex social issues? Financial and legal skills are necessary in this work, but they are not sufficient. Do

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*The scales are weighted too heavily towards the elite,  
with like recruiting like and a lack of knowledge of the  
experience and expertise of the social sector itself*

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those being recruited have the cultural competence to operate in a different culture? Lived experience of exclusion, understanding complex social issues, including poverty, homelessness and long-term unemployment, knowing the markets in which clients operate, how funding works, when growth is inappropriate, that sometimes, social impact is in survival – these are resources that have not been respected and valued.

The scales are weighted too heavily towards the elite, with like recruiting like and a lack of knowledge of the experience and expertise of the social sector itself. No-one experienced in the world of charities and public-sector contracts would have made the mistake of predicting a major growth in social investment based on winning and financing prime public contracts. The situation is worsened as city recruitment agencies, advisors and experts are replicating practices that deliver the same lack of equality, diversity and inclusiveness evident in the financial services sector.

#### **PRODUCT DEVELOPMENT: FINANCIAL ENGINEERING VS SERVING CUSTOMERS' NEEDS**

Yes, I'm thinking of social impact bonds, but also of the impenetrable complexity of many social investment agreements, quasi-equity and other financial engineering products. It seems that if you convene too many great minds and encourage them to innovate, the result can be fiendish complexity. The truth is that most social sector organisations are directed and managed by good people trying to do good work. They need simple social investment products and a bit of support when things go wrong. They do not need to be nailed to the floor by legal agreements that cover every possible eventuality, at a

high cost to investor and investee.

I was lucky to be trained by Shorebank International, the consultancy arm of the former US community development bank. I was taught that you decide first if this is a customer that you want to work with and then if it is possible to tailor your financial instrument to work for them, as well as for the investor. The more complicated the financial instrument becomes, the less likely it is to benefit customer and community.

#### **RESEARCH: SOCIAL RESEARCH AS WELL AS HACKING AND BRAINSTORMING**

Good quality social research rests on two pillars: a sound methodology and an ethical approach. It usually involves a review of research already carried out on a particular topic, qualitative and quantitative research and the explicit articulation of conclusions based on evidence and logic. There are different ways of working in the social sector, but there are some common principles of working, such as inclusiveness, being driven by values, independence, empowerment, accountability and openness.

The preference in newer social investment organisations seems to be for hackathons and brainstorming. There appears to be little regard for previous learning, expertise, lived experience or evidence. There are few published evaluations and 'open data' availability is patchy. This may relate to experience in large financial corporations where there is a premium on fast action and quick decisions. This combines with a high staff turnover and a premium on short-term impact, resulting in a lack of corporate knowledge and wisdom built up over generations. We also need social research; intergenerational

collaborations combining the enthusiasm of new ideas with history and learning.

#### **WHAT ARE THE CAUSES?**

Underlying these problems is a similar set of causes. Unfortunately, the social investment sector has been driven off course by good people with good intentions but insufficient experience of the world that social investment should reach.

They have replicated the hierarchies and inequalities of the financial services sector and big business, because they know no different. There has been an imbalance in recruitment and that imbalance remains in terms of gender, diversity, class, experience, power and influence. The idea of learning from third sector experience seems to have no place in the social investment world.

#### **WHAT DO WE NEED TO DO?**

- Recognise that there is a problem, which has damaged the development of social investment.
- Understand that the financial services sector and its supporting organisations do not have all the appropriate skills and experience to address the problem.
- Develop deep (and meaningful) two-way engagement with the third sector.
- Improve recruitment policies and practice, supported by practitioners in inclusivity.
- Rebalance and train boards and senior management teams.
- Insist on building inclusive relationships and networks; learning from previous experience, research and reflection in planning new initiatives.
- Build user engagement into product service design and delivery.
- Fund and publish challenging evaluations of investments and programmes, with a quality standard required for publicly funded projects. ■




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*Nianh Goggin is director of  
Small Change (NI) and one  
of the WISE100 women*

# DEBUNKING THE MARKET RATES OF RETURN MYTH

ABHILASH MUDALIAR

*Findings from eight independent studies show that market rates of return are achievable for those who seek them*

It has been 10 years since the term “impact investing” was coined, and the difference between then and now is night and day. Impact investing was built on the idea that capital can be leveraged for social and environmental good alongside financial returns. In recent years, it has been exciting to see the industry gain so much momentum. Major financial institutions have moved from asking “why impact investing?” to “how do I practise it effectively?”. Expanding client demand, coupled with growing awareness of the ability for capital markets to drive solutions to social and environmental challenges, bode well for impact investing.

However, one persistent misconception continues to slow uptake. This is the fear that impact investments cannot generate financial returns comparable to traditional investments. This myth has persisted for too long. A recently published report, *GIIN Perspectives: Evidence on the Financial Performance of Impact Investments*, aggregates and synthesizes all available research around this critical topic for the

first time, in order to examine the realities of financial performance.

Findings from eight independent studies on the financial performance of investments in the three largest asset classes in impact investing – private equity, private debt and real assets – show that market rates of return are achievable for those who seek them.

A private equity benchmark produced by Cambridge Associates (CA) and the Global Impact Investing Network (GIIN) found top quartile returns net of fees and expenses of 9.7% or higher and mean returns of 5.8% among market-rate-seeking investments. A study of 170 private equity transactions by the Wharton Business School found an average gross IRR of 9.2%, and a McKinsey & Company study of 48 private equity exits in India found an average gross IRR of 11%.

These numbers are comparable to returns over the past decade in conventional private equity and venture capital. Data indicate real assets impact investments can also achieve returns on par with similar, conventional funds, with CA-GIIN benchmarks revealing comparable returns distributions among impact and conventional funds in timber, real estate and infrastructure.

The collective evidence base from these reports will, we hope, build the confidence of investors who are still standing on the



sidelines wondering if impact investments can match their expectations of market-rate returns.

Of course, not all impact investors seek to achieve market rates of return; some impact investors intentionally target

below-market-rate returns in order to achieve a specific type of impact, create a bridge between philanthropy and conventional investing or catalyse other capital and therefore foster market growth. These investors play an equally critical role in industry development.

The impact investing industry is still young – but debunking the myth around financial returns marks an important milestone. The GIIN has been proud to play a central role in strengthening the infrastructure of this promising industry. Still, the work is far from over.

For the industry to continue to grow, it is critical that we build an even stronger evidence base. Some investors have become increasingly transparent with the release of their performance data, but more is needed. Together, let us capitalise on this momentum to build a just and sustainable world where everyone understands the full power of their investment capital as a force for good. ■



*Abhilash Mudaliar is research director at the Global Impact Investing Network*





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## VENTURE PHILANTHROPY IN ACTION

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# INSPIRING SCOTLAND: TEN YEARS ON

CELIA TENNANT

“I’d probably be in Barlinnie, if it wasn’t for you.”

That was the opinion of one young person, stated matter-of-factly, at an event we recently held for our 14:19 Fund charities. (Barlinnie is a Glasgow prison.) He wasn’t talking to me, or any other one person in the room; this was a collective “you” in the strongest sense of the word.

In our tenth year, it is the power of collaboration to effect real change that strikes me most – a lot of people working together to make a difference. The same young man who uttered that phrase was graduating with an honours degree the very next day. The journey he took from

a disengaged teenager lacking confidence and a sense of self-worth, to a confident, proud young man, grinning with a sense of achievement and with aspirations for his life, was made possible by ten years of collaborative working.

When Inspiring Scotland was set up ten years ago, our ambition was to tackle the long-term, entrenched social problems faced by Scotland’s communities. We decided to develop a venture philanthropy model for Scotland’s unique social landscape and brought together a group of investors who shared our ambitions. They were a cross-sectional mix of private

individuals, trusts and foundations and Scottish Government and, together, we committed to a long-term project.

The inspiration came from within the voluntary sector. We asked organisations what their challenges were, and they told us: project-based funding, multiple applications for small amounts, short-term funding cycles and a lack of core and organisational support. This, along with learning from other funding models around the world, honed our approach. We knew what we wanted to change. We wanted to bring people and organisations together, provide long-term strategic funding and holistic support, focus on performance



↑ Youth charities supported by Inspiring Scotland's 14:19 Fund have become successful social enterprises

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*We decided to develop a venture philanthropy model for Scotland's unique social landscape and brought together a group of investors who shared our ambitions*

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measurement to create the greatest impact, and apply our collective energies to key thematic areas. Collaboration has been the essence of our model since the beginning, so we could do more for Scotland's people.

14:19 was our first fund, established to tackle youth unemployment over ten years and aiming to help 35,000 young people into employment, education or training. With a funding commitment from our diverse group of investors, we established a portfolio of charities working across Scotland to help young people from challenging backgrounds to gain the confidence, skills and ambition to start on a path to sustainable employment. To date, £46m has been invested in 20 charities which have leveraged nearly £60m in matched funding. This year, we are on track to reach our ambitious 35,000 target and our charities will have helped tens of thousands of other young people to gain important qualifications, develop social skills and confidence, and have the self-belief to keep going on their journey.

The 20 charities in our 14:19 Fund portfolio have also been on a journey. Through cooperation and shared learning, as well as tailored organisational support, each charity has been able to grow their scale, develop strength and resilience, raise more funding by demonstrating effectiveness and, ultimately, have a greater

social impact by helping more young people. With the security and flexibility of long-term funding, our charities were able to plan ahead and develop further partnerships with schools, colleges, universities and employers, helping to create a sustainable pathway for young people to progress.

To complement that support, we developed a network of pro bono supporters – professionals and experts with a wide array of skills and experience – who can help our charities with one-off projects or commit to continued organisational support. In our tenth year, that network of people willing to lend their time and their experience to help charities work better and smarter is more than 400-strong.

As part of the 14:19 Fund, our charities have become successful social enterprises, diversified income streams and developed more sustainable business models. The social impact they have is greater, and more accurately measured, and that has contributed to a sector-wide shift in Scotland towards more rigorous impact measurement and greater sustainability and resilience.

Our model works and has been independently evaluated to demonstrate that, and I am proud of what we have

achieved. To date we have managed more than £120m in funding and now run nine funds, working with more than 200 charities, tackling issues from community development to childhood health and wellbeing. We are collaborating on an even greater scale and we are all driven by a compassion and commitment to build a better Scotland. Over the next ten years, we intend to continue that journey.

Developing more efficient and effective practices in the third sector, and building connections across different organisations, has allowed us to have greater social impact and help more people, but it has also allowed us to see beyond the surface of social problems and access people living with greater disadvantage and further from the support they need. These are the people we want to help with our next ten-year fund.

As the young man at our event showed, when we work together we can help people to achieve incredible things. What we have seen over ten years, also shows us that we must. ■



*Celia Tennant is chief executive of Inspiring Scotland*

# THE EMOTIONAL HEDGE: 3 LESSONS FOR INVESTORS

JAMES LAWSON

Last year the Nobel Prize for economics was awarded to the American economist Richard Thaler, known for his “nudge” theory and a leading light in the growing field of behavioural economics. But the real breakthrough in behavioural economic theory came 15 years ago when one of Thaler’s peers – the Israeli-American psychologist Daniel Kahneman – proved that people deviate from logical choices for predictable reasons.

By crossing into psychology, economics began to develop and become much more relevant. But how many of these lessons have been learnt by the investment community?

Not many. When investing, we’re all happy with the concept that if you want more return, you need to accept greater risk. As a result, the focus of the investment industry has been seeking the best “risk-adjusted returns” for their clients. And taking on more risk without expecting any additional return isn’t clever. But a portfolio with the “best risk-adjusted returns” may actually be woefully incomplete in terms of what *your* best portfolio should look like.

We at Tribe Impact Capital commissioned Greg Davies PhD to try to understand why the risk-adjusted returns mantra might not be as universally suitable as we’ve been taught. In our paper, *Investing for Real People*, we found three lessons from behavioural finance.

Firstly, total returns from investing are both financial and emotional. But traditional investment approaches usually ignore the latter. Secondly, money is a

means not an end. But typically investing only sees it as an end. And finally, good investing requires emotional comfort. But traditional investing tends to ignore concepts like comfort.

## LESSON 1: WHAT IS A RETURN?

Investments deliver two distinct types of return: financial and emotional. The latter is usually overlooked in traditional investment decision-making; it’s the value we get from owning something. This might come from a sense of satisfaction, enjoyment, or purpose. Collectibles are a common example: art investors may get a financial return from their holdings, but they will get an emotional return too.

Impact investing is another example. These are investments that seek financial as well as social and/or environmental benefits. So a portfolio of impact investments can deliver financial returns and an emotional return from the sense of purpose that your portfolio is supporting.

## LESSON 2: WHY ARE YOU INVESTING?

Implicit in the drive to maximise risk-adjusted returns is the assumption that more money is always better. But money is a means and not an end; it is only valuable because it helps us get more of what we want. Studies that show more money does not lead to more satisfaction.

Yet what if some of what we want can be acquired through the process of investing rather than the proceeds? Imagine that even a fraction of what you plan to spend

your money on includes some social or environmental benefit: things that you care about. Impact investing, with both financial and social/environmental goals, can get some of what you want, even while making money to get you more of what you want.

## LESSON 3: ARE YOU SITTING COMFORTABLY?

The financially optimal portfolio may be right for a perfectly rational operator, but is seldom the best for a real person. Abundant evidence exists to show that uncomfortable investors make a myriad of poor decisions. The “behaviour gap” occurs when our emotions get the better of us: we are greedy when markets are expensive and fearful when they are cheap. This bias costs the average investor 1.5% per year.

An investment portfolio that expresses your values, invested in businesses with stories that resonate with you, and that reflects your beliefs, is one you are comfortable with. This type of portfolio provides a natural emotional hedge to the stress of markets.

If you are rational enough to recognise some of this, and human enough to realise it affects you too, you should start to think about the emotional return on your investments. ■



James Lawson is co-founder of Tribe Impact Capital LLP. For a copy of the paper referred to here contact [hello@tribeimpactcapital.com](mailto:hello@tribeimpactcapital.com)

# SOCIAL INVESTMENT AND GRANT-MAKING SYNERGIES

PHILIPPA CHARLES

Having recently joined the investment committee at Social and Sustainable Capital (SASC) helping review and analyse applications for social investment, I have learnt a great deal.

Many of the innovative organisations applying to SASC for investment operate in the same fields as the Garfield Weston Foundation, including housing disadvantaged people, welfare, community projects and education – these are all familiar territory, but it has been stimulating looking at investments in areas new to me, such as renewable energy.

It is also clear that grants and social investment are by no means mutually exclusive but can operate very effectively in tandem and that synergies exist between philanthropy and social investment, including the application and due diligence processes organisations need to undertake to secure investment or grants.

The UK social investment market is gaining momentum. Big Society Capital, estimates that the market is now worth £2bn. This growth looks set to continue.

Cass Business School's report of May 2017, *Social investment as a new charity finance tool: using both head and heart*, predicted a major shift in charity funding models away from grants and donations, towards social investment and more borrowing in the next five years.

As director of one the UK's biggest grant making foundations, I can safely say that, depending on their finance model, charities and social enterprises can benefit from social investment and grant making – sometimes simultaneously. Also, there

is funding available in both areas and organisations must go through many of the same hoops to access funds.

One big difference however, is that taking on repayable finance can seem like a big step for many charities and social enterprises and it obviously carries different risks from grants, donations and contracts.

Many organisations are deterred from applying for social investment through lack of understanding and confidence. There is confusion about what is involved and the terminology and jargon used in the industry can put people off. Some organisations are also nervous about taking on a loan, others don't feel they have the right skills or that it is too daunting.

While social investment won't suit every organisation, I believe that greater clarity and education is needed about what is involved, as the processes may not be as challenging as some organisations perceive and, in many cases, it can be beneficial in helping charities clarify their plans and priorities and tighten governance.

While the investment team at SASC is very rigorous and looks for organisations that can clearly demonstrate their business is scalable and can deliver social impact, they are as concerned with the quality of the people involved and whether the organisation is well governed and run. SASC provides a great deal of support for investees and offers flexible payment terms and loan structures depending on their specific needs.

When the Garfield Weston Foundation trustees award grants they also look for charities that can demonstrate they are

well governed as well as those which are meeting a clear need in an effective way.

## COMPLEMENTARY SUPPORT

As mentioned earlier, there are synergies too in the kind of organisations to which the foundation has awarded grants and SASC has supported with investments. One is Preston Road Women's Centre in Hull which provides safe homes for vulnerable women and their children in Hull.

In 2016, the Garfield Weston Foundation provided a grant to help purchase three one-bed properties and the trustees made a further grant in January this year to support the creation of a new central hub for their wider activities for families.

SASC has provided social investment to enable the charity's next phase of growth and help it increase its portfolio of safe homes for women.

As this example shows, philanthropy and social investment can coexist and complement each other. Both are needed at different stages, or sometimes side by side, depending on the organisation's growth. I hope that, as more organisations take on social investment and/or have repaid their finance and can tell others about their journey, the market will mature and grow. ■



*Philippa Charles is director of the Garfield Weston Foundation and an investment committee member at Social and Sustainable Capital*

# A NEW OPPORTUNITY FOR EVERYDAY INVESTORS

BEVIS WATTS

As the interest in crowdfunding has grown over recent years, it has been gratifying to see the explosion in impact investing, particularly in the UK where, according to Ethex, we're now seeing over 19 million people expressing an interest in positive investment – roughly half of the eligible population.

The question for us at Triodos Bank is: how do we translate that interest into tangible capital investment, in order to accelerate our transition to a low-carbon, sustainable and fair society?

To help answer this question, Triodos Bank participated in a national government task force reviewing social impacting investing in the UK. The resulting report, *Growing a Culture of Social Impact Investing in the UK*, outlines key recommendations to help grow the number of social impact investors across the country and ensure financial providers empower people to support the issues they care about through their savings and investment choices. It revealed a growing interest among individuals for their investments to have a positive impact on society, as well as delivering good financial returns.

However, despite this increase in demand, the social impact investing market remains underdeveloped. The report urges the government and industry to increase the number of social impact investment opportunities in the market, making it easier for people to invest.

This report, coupled with the staggering 43 per cent year-on-year increase in the “alternative finance” market, demonstrates an enormous opportunity to bring

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*Money can be a hugely powerful form of democracy*

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together the rapidly increasing cash flows in alternative finance with the growing interest in social impact investing.

So this year Triodos became the first bank in the UK to launch a crowdfunding platform.

With a track record spanning over 15 years, we've been connecting ethically-minded investors directly with positive organisations since before crowdfunding became a well-known term. But having our own online platform enables us to grow the huge potential of crowdfunding and address the demand for Innovative Finance ISAs, enabling people to get their returns completely tax-free within their £20,000 personal allowance.

We join a number of pioneering organisations, such as Ethex, Abundance and Mongoose that are harnessing the interest in crowdfunding to raise capital for organisations delivering a positive impact. It's important to us that we provide a reliable platform for people to invest with confidence in the sectors they feel passionately about, safe in the knowledge that we've extensively screened the projects for environmental impact, viability of their business model, and credibility of their management team.

Organisations currently seeking funding

include Mendip Renewables, which aims to raise £1.8m to take a Somerset solar farm into community ownership. Investors can earn 5% interest a year, increasing in line with the annual retail price index, repayable over 17 years. An estimated £1.4m of profits will be contributed to a community benefit scheme over the life of the project. One of the local projects to benefit is Key4Life, a charity delivering rehabilitation programmes for young offenders and those at risk of going to prison.

We know investors and savers are looking for opportunities that allow them to support progressive companies, social enterprises and charities, while also receiving good long-term returns. Our ambition is to help facilitate this by becoming a one-stop-shop for ethical investments, be it through ISAs, savings or direct investments. Last year we launched a current account, allowing people to merge their values with their everyday banking.

Everyday investors can make a positive choice to shape the world they want to live in. In that sense, money can be a hugely powerful form of democracy if invested directly into renewable energy, social housing, charities or social enterprises. With more and more people joining the movement to create positive change, we simply have to ask ourselves, where do we want to cast our vote? ■



*Bevis Watts is managing director of Triodos Bank UK*

# PROFESSIONAL WOMEN WANT TO INVEST POSITIVELY

JESSICA ROBINSON

**S**ustainable and responsible investment is going mainstream, that's for sure – it's fantastic news.

Motivations and drivers are obviously complex and varied – as they would be in any market where there are many variables and many actors. But one this is increasingly apparent. There is a demographic that kind of “gets it” ... women.

## SAY IT AGAIN?

Yes – increasing numbers of professional women want to make investment decisions that positively influence the world. They are starting to look for ways to do this, including channelling money into companies and industries benefitting not only themselves as investors, but also creating positive social and environmental change.

## AND NOW WE HAVE PROOF

Anecdotes aside, at Moxie Future, we wanted more evidence to support our hypothesis. So we commissioned an extensive survey to better understand the investment preferences, habits and motivations of women and their interest in responsible investing.

The resulting report, *Understanding Female Investors: Women Using Capital to Change the World*, uncovered some significant findings. These included:

- 83% of women surveyed care about where their money is invested;
- 69% feel a sense of urgency to invest responsibly; and
- 63% are motivated to be responsible investors.

While results were fairly consistent across

the five major markets covered (Australia, China, Germany, UK and USA), perhaps one of the most intriguing results was that women in China showed the highest levels of willingness to engage with the concept of responsible investing, with 91% of them expressing an interest in doing so.

## WHAT ARE THE CHALLENGES?

While the research shows us that women across the world are generally positive about and ready to engage in responsible investing, we have also learned that women are facing a number of difficulties.

Many women view their lack of time, knowledge and understanding as serious barriers. This is compounded by a distrust of information regarding investment products and a sense that the financial world is dominated by complex jargon.

There is a disconnect between what women want and what the financial services sector is offering.

But the good news is that these are untapped opportunities for the industry to work more closely with female investors to deliver products and services specifically designed around them.

## WHERE NEXT?

We have much work to do, but that is no reason not to start today. Here are a few ideas to get us started:

- Practical guidance is needed to support women to understand what to look for and how to assess the sustainability performance of investments. It is also time for plain speaking.
- We need more financial products

and services to cater for the many women who want to invest responsibly. For example, thematic investment funds focused on climate change or environmental protection. We also need to make them more visible and accessible.

- A big part of the solution is about empowerment – supporting women as investors by providing better information on and analysis of the various investment products. The finance world can do much more.
- With more peer-to-peer learning, experience-sharing opportunities and networking, we can help women grow more confident in their financial decision-making, particularly as responsible investors.
- The conversation is just getting going and we need to talk more. As “financial feminism” becomes a mainstream concept, so too can the financial feminist’s drive to create broader societal and environmental change through investment choices.

We know that female investors want more than just good financial returns. And we are seeing that the collective female voice is becoming louder and louder. Combine this voice with the transformational power of investing and we really can reshape our future. ■



*Jessica Robinson is founder and managing director of Moxie Future*



## NAVIGATION

# A GUIDE THROUGH SOCIAL INVESTMENT

KIERAN WHITESIDE

“The stars haven’t aligned to allow corporate financiers to work with social enterprises.”

These are the words of one social entrepreneur – and if you work in social investment, you are likely to have been in this position at one time or another. You are down the pub and a new acquaintance asks you what you do. You pause and think about how best to answer.

The original question inevitably leads

to discussion about what social investment is, often involving some level of fascination, sometimes animosity, but almost certainly confusion. So what is a social enterprise? Is it ethical for a charity to borrow money? Why can’t you just donate money?

Your attempts at explaining only scrape the surface on what we know can often be a complex and complicated world full of financial jargon, unnecessary acronyms and misleading information. And at the

end of it, that glazed look often still hasn’t been wiped off the other person’s face.

This might not be such a big problem when you’re just trying to explain social investment to Joe Bloggs who will have no need of it, but if the same thing happens with social enterprises and charities, the very organisations it’s meant for, then it becomes a problem.

That is why we created Good Finance. It’s a website and initiative to empower

organisations to self-educate, providing them with the right tools and resources to help them understand if it is right for them and better connect with the providers of investment.

### WHY NOW?

The significant challenges that those in the social enterprise and charity sectors face have never been more acute: declining sources of traditional income streams, increasing demands for their services and the growing need for support in areas like business models, good governance, commercial resilience and cash flow.

These challenges are well known and documented, and are further compounded when it comes to accessing alternative sources of funding like social investment. The needs are numerous, but there are four issues frequently cited.

One is around the availability of smaller loans – part of the reasoning behind the formation of Access: The Foundation for Social Investment and the Growth Fund. Second is about a better understanding of measuring and reporting impact as part of the investment equation, a third is about support for developing and implementing investible business models and a fourth is to do with knowledge and navigation of the market.

The barrier that Good Finance addresses sits within the last – knowledge and navigation – although it is by no means isolated from the first three.

### USERS FIRST

The website was designed following three rounds of deep user testing and research, in collaboration with key sector partners, and responds to what is a commonly talked about and evidenced need (including reports from Social Enterprise UK, the Cabinet Office, the Design Council and many others), that repayable finance is confusing and difficult to understand with there being too little information on how and where to access it.

User-centred design sits at the core of our philosophy, and at every development stage of the website the intended users

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*Repayable finance is confusing and difficult to understand and there is too little information on how and where to access it*

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– charities and social enterprises – have acted as partners. It is a common-sense methodology – listening, working and designing with the end user, yet it is sadly not utilised as readily as you would think. In this sector, like many others, we often fall into the trap of coming up with solutions before truly understanding the problem.

What has been especially valuable about this approach is it has emphasised some of the more uncomfortable realities of organisations on the receiving end of investment. The comment about the stars not yet being aligned to allow corporate financiers to work with social enterprises is a pertinent and ubiquitous sentiment felt by many attempting to navigate this world.

There were other fascinating insights that came out of the process, including the need for “warts and all” case study stories revealing the true challenges of taking on investment (not just the positive impact) and to not “patronise us by dumbing down the language” but instead explain investment terms throughout the content.

All of these insights have been used to develop the website and continue to modify on an ongoing basis, because needs inevitably change over time.

It is encouraging to see the website has been well received and, more importantly, used by social sector organisations. Since we launched in spring 2017, more than

30,000 users have visited the site and 80 per cent of social enterprise and charities surveyed said they had a positive experience using it.

We also know that websites are by no means a panacea and that they can only work in combination with other offline interventions. That’s why last year as part of the initiative that sits alongside the website, we exhibited at over 20 events and conferences, held over 10 introduction to investment workshops, and formed a communications strategy, doubling our reach via our partners’ and our own social media and email channels.

### WHAT NEXT?

Of course, needs change over time and in a sector that is constantly moving and developing we have to ensure that Good Finance remains relevant and useful.

We certainly won’t be resting on our laurels and, alongside our partners, we will continue to be agile and adaptive to the needs of the organisations we seek to serve.

Looking to the future, we are working on a number of developments, including a more advanced investor directory, new video and content case study stories, webinars and an even greater presence at sector events up and down the country.

We also believe in the potential of iterative, user-centred and collaborative principles to build effective solutions and we encourage others to explore this approach in their work.

Ultimately though, our ambition will always be about helping charities and social enterprises navigate social investment, and, hey, if along the way it turns out that Good Finance also happens to help with those awkward conversations down the pub, then that is no bad thing. ■



*Kieran Whiteside is project manager at Good Finance, a collaborative initiative and website led by Big Society Capital and Access: The Foundation for Social Investment, with support from DCMS, Social Enterprise UK, NCVO, Locality, Social Spider CIC, Pioneers Post and many other sector partners.*





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*Investors may have an unconscious bias  
to fund individuals with a similar gender,  
ethnicity, class or professional background*

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inroads into addressing the gender pay gap, increasing opportunities for flexible working, introducing a Living Wage, and providing and promoting affordable childcare have been welcome, but there is still a long way to go. Women are rising up and speaking out, which is something to celebrate.

Women predominate in the social sector. While they make up approximately 40 per cent of the UK workforce, this rises to 65 per cent in the voluntary sector, according to NCVO. Does this mean that gender equality is not an issue?

If we look at the gritty reality of gender equity in social investment, there are two sides to the coin: the make-up of social investment decision-makers, and those who receive investment.

### IS THERE REALLY A PROBLEM?

Given the number of women present in social investment circles, gender equity may not be perceived as an issue. A straw poll taken at The Gathering, a sector event held in February 2017, saw only half of the people in the room raise their hands when asked if they thought gender diversity was a problem. Those who did not think it was an issue said that gender diversity in the social investment sector is already better than that of mainstream finance. Job done, then?

However, a distinct lack of gender diversity has been noted among those making decisions in social investment firms. Evidence from The Social Investment Consultancy (TSIC) suggests that the staff make-up of social investment funds do not reflect the diversity of leaders in social sector organisations, or their

beneficiaries. TSIC suggests investors may have an unconscious bias to fund individuals with a similar gender, ethnicity, class or professional background.

The Young Foundation makes the case for gender as a key driver of social impact, and social investment as an opportunity to address gender inequality. *The Sky's the Limit* report found that only 25% of surveyed UK investors consider gender equality in their investment decision-making, with a tiny minority targeting finance to women-led ventures. Despite being a global leader in social investment, when it comes to gender the UK is losing out on investment opportunities.

The market has only just begun to explore what this all means. To their credit, many social investors have begun to engage diversity and gender equality. Big Society Capital recently committed to better understanding the extent of diversity within social investment. Surveying 227 individuals, it found that while there is balanced gender split at the management and operational level, there is only 28% representation of women at the executive level. As it points out, “the relative lack of women in executive roles is stark and a call to action for us all. We can no longer say that gender inclusion is not a problem in the social investment market.”

### AMPLIFYING THE ROLE OF WOMEN

The Connect Fund, a partnership between the Barrow Cadbury Trust and the Access Foundation, recently announced 17 grant

awards totalling £740,000 as part of its first funding round. These grants are intended to ‘nudge’ social investors and intermediaries to work together to develop solutions that will build a better market.

Among other issues, Connect Fund projects seek to amplify the role of women in social finance, promote diversity in the social investment sector, and explore the role of equality impact investing. These are small positive steps the social investment market is taking to engage with issues of gender equality and BAME under-representation.

A cross-sector working group on diversity supported by the Connect Fund has come together to take action. Representatives from The Joseph Rowntree Foundation, Big Lottery Fund, Social Finance, SASC, Big Society Capital, the Access Foundation, Power to Change, TSIP, TSIC and Right to Succeed, are committed to raising the profile of diversity and inclusion and take practical steps to address the disparity.

The spring thaw is very welcome. Diverse teams mean better information sharing and creativity, leading to enhanced innovation and better outcomes. If we really want to drive social impact, social investment must make gender equality, inclusion and social justice part of its DNA. ■



*Jessica Brown is fund manager at the Connect Fund, which is managed by the Barrow Cadbury Trust in partnership with the Access Foundation.*



*NatWest Social & Community Capital supports a variety of social enterprises*



## TOP TIPS

# A SOCIAL FINANCE APPLICATION CHECKLIST

MARK PARSONS

I have nothing but admiration for people who start up their own businesses.

Those of us who choose to take home a wage at the end of a month can't truly appreciate the pressure of running your own enterprise. It often means taking on the role of CEO, FD, marketing manager and sales director all yourself. It can be risky, it can sometimes be uncertain, it is often lonely and it's always hard work.

Being a social entrepreneur is

sometimes seen by the outside world as something a bit fluffy. Are social enterprise leaders simply idealistic, do-gooders with lofty ambitions for a better world?

In my experience, nothing could be further from the truth. Not only do they face all the same challenges of running a conventional business – they've added delivering social change to their workload. Some social enterprises not only have the pressure of running a commercial

businesses but also run charities at the same time whilst working with the most vulnerable people in society. That's quite some commitment – and takes a very special kind of person.

Raising finance as a social enterprise can be more complicated too. If you're not able to access mainstream bank finance (which fortunately many are) then the option is the ever expanding world of social finance. In this brave new world, not

only do you have to demonstrate financial sustainability, you have to demonstrate your social and/or environmental impact as well. This is the world of the triple bottom line.

Whilst there is no shortage of organisations now offering specialist finance to social enterprises in the UK, the choice itself can be confusing. The social finance sector pretty much admits this. Take a look at the mission of Good Finance, the sector body whose role it is to be the one stop shop for social enterprises looking for finance. It exists to help charities and social enterprises ‘navigate the complex world of social investment’. Yes, the sector appears so complex to its potential customers that it has developed its own navigator (see page 46).

I happen to think Good Finance does a great job, pulling all the elements of a fragmented sector into one place and wrapping its expert arms around all the different finance providers and the many variants of finance available (I counted 17 potential options on their website). However, its very existence is a proof that it can be very hard for a social enterprise to know what’s on offer and who can help them when they need money.

Sadly, I can’t really offer any solution to the complexity of provision, that’s Good Finance’s role – but I can shed some light on what to do once you’ve found a lender that you like the look of.

My employer, NatWest, has operated a micro-finance fund (a 1990s term for what would now be called a social lender or a SIFI) since 1999. It is called NatWest Social & Community Capital. It lends to social enterprises that can’t access mainstream bank finance and over the last 20 years we’ve welcomed dozens of social enterprise customers through the door and funded social businesses from ethical fish to roadsigns. Our decisions are made by real people, both bank specialists and external experts who weigh up the risks and decide who we will support, every alternate Thursday morning.

It’s great to be able to connect funding with the right businesses – those that have

successfully navigated the sector, impressed the panel and can crack on with delivering their social impact. But, for every business that we’ve been able to fund there are some that we haven’t been able to help. Sometimes that’s for a very good reason, but sometimes the businesses applying don’t provide enough information on financial sustainability or social impact for us to be able to back their venture.

So what can aspiring customers do to stand the best chance of receiving a positive decision and make the process run more smoothly? I’ll share some of our top tips with you.

## 10 STEPS TO HELP YOU ACCESS SOCIAL FINANCE



### 1. Make sure you’re eligible

By far the largest numbers of declines we have to give are to organisations which don’t meet our basic criteria. We have our eligibility criteria on our website but many organisations don’t look at them first. We even have a telephone number so we can have a quick call, establish that we can’t progress as quickly as possible and suggest some further avenues. The sector has as many different criteria as it has lenders, so improve your chances of success by researching and choosing a lender that you know can support you. Most of them publish case studies so you can see the types of enterprises they support.

### 2. Show how you can repay

A wise bank manager once said to me that banking is quite simple. “We will happily lend you money but we would quite like it back at some point.” Most social lenders are no different on this. At some point (and usually the sector can be more flexible and patient), we are looking to have the

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*Your social lender is on your side. They will want to do all they can to lend to you*

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money back to recycle to other deserving organisations. If you can’t show clearly how this will happen and have a credible plan for repayment then it’s going to be an uphill struggle.

### 3. Demonstrate a social impact

This should be quite straightforward for social enterprises which specialise in delivering social change. However, not all social enterprises provide us with details of how their activities deliver social benefit. Do you keep numbers of beneficiaries? Do you survey them? Have you got any case studies? An application with these elements in it stands a much stronger chance of approval.

### 4. Don’t be too early

Most lenders, even though they might love your passion, can’t fund early stage ideas – not even great ones. They need some numbers, some evidence that it will work. If you’ve done it before then that’s a good place to start – but for the majority of lenders, some proof of concept work will help show that you’ve got substance as well as style.

### 5. Don’t be too late

These can be the real heartbreakers. Sometimes by the time we get to look at



the business, it might be experiencing problems that aren't best solved by a credit application and there's very little we can do apart from signpost to grant providers. When resources are scarce, you need to carefully budget on a weekly and monthly basis, so you can identify financial needs and set realistic targets for assistance. We've managed to support social enterprises that were experiencing some really challenging conditions. In their cases we were able to support because we could see clear repayment, we could see the obstacles weren't insurmountable and we were clear on the social impact that needed protecting.

### 6. Work with us

Your social lender is on your side. They will want to do all they can to lend to you. If they're asking you lots of questions, it's because they need to be able to understand your business in order to represent you in the best possible light to their credit panel (or equivalent) who will make the final decision. It might seem like they're asking for a lot but that's for two main purposes. They want to have confidence that you understand your business and its challenges and they want to be well prepared for the questions they're going to ask or have been asked. The best thing you can do is to give them as much as you can.

### 7. Be clear

I once read a credit application from a customer, looked at their financials and website but then had to ask the question: what is it that they actually do? Don't assume that just because you're familiar with the inner workings, strategy, vision and future plans for your organisation that someone who has never met you before will understand what you're about. Make sure you explain clearly what you do, who your beneficiaries are and how you make money. Tell us specifically what you want a loan for and what difference it will make.

NatWest Social & Community Capital is a trading name of RBS Social & Community Capital, Registered in England No: 03901460, Charity Registration No: 1079626. Security may be required. Product fees may apply. Over 18s only.



### 8. Management and governance matter

Every lender wants to know your story. Who are you? Why are you doing what you're doing. What makes you good at it? What skills do you have? Why are you so passionate about the cause? What's your track record? Who is going to keep you on mission and in check? In our impact framework we score all organisations on our perception of the quality of board and management as it's a crucial factor for us to consider when we're deciding on whether your business plan is achievable.

### 9. Tell us about your impact

Some customers think that this is the fluffy stuff, it's nice to have but not essential. For a social investment credit panel making a decision of whether to lend to you or not, this is absolutely crucial. It is sometimes the difference between getting a loan or not from a social lender. It never makes up for a lack of financial viability, but it helps to enthuse and energise people to want to support you. Tell us lots about the difference you make. Give us numbers and inspiring stories if you can.

### 10. No nasty surprises

Never hide anything. Giving your lender a nasty surprise undermines trust and confidence in you and your business. If you tell us that you've had problems in the past, explain the context and what you did we can take a view on the facts and it shows you're open and transparent. If we discover issues when we're doing our due diligence and you haven't told us, then it won't fill us with confidence you'll do the right thing if you hit hard times again.

In conclusion, the social finance world can look complex. Like any sector, it is full of confusing concepts and acronyms but at the heart of it, it's real people making decisions about other people, their track records and their future plans.

We share a common aim with the businesses we are looking to support – we both want to make a difference in local communities. I hope that by being open about what works and what doesn't for our particular lender, we'll give you a greater chance of success in funding your venture and make that lasting societal change that we all want to see. ■



*Mark Parsons is head of community finance and social enterprise at NatWest*

# A-Z OF SOCIAL INVESTORS & ADVISORS



## ALLIA IMPACT FINANCE

*Allia helps registered charities, housing associations and care homes raise loan finance for their growth and development plans. Allia bonds offer the opportunity to raise unsecured finance with fixed costs and light covenants – as well as providing a new way to connect with ethical investors. Allia Impact Finance is part of Allia, an independent not for profit with a social mission, dedicated to helping impact ventures grow.*



## ARTS VENTURES

*Arts Ventures helps arts organisations to explore how they can become more enterprising and impactful. It researches the potential for development in products and services, focussing on where organisations can secure sources of funding that bring sustainability, flexibility and longer term investment.*

**Amount invested since founding date** £250m

**Organisations supported since founding date** 600

**Type of investment available** Listed and unlisted bonds

**Size of investment available** Mini bonds £1-3m, retail charity bonds £10m

**Geographical area** UK

**What's our USP?** "Allia has been issuing bonds since 1999 to raise finance for charities, community employment ventures, housing associations and care homes to deliver social impact. In 2017 it passed the milestone of having issued over £250m in bonds."

**What we're looking for in investees** "Allia's retail charity bonds are available to credit-worthy charitable organisations, such as housing associations, care homes and other registered charities who wish to access £10m or more of loan finance with a fixed rate of interest for a medium term of around 10 years."

**Contact** Daniel Carrico, Head of Origination | [daniel.carrico@allia.org.uk](mailto:daniel.carrico@allia.org.uk) | [impactfinance.allia.org.uk](http://impactfinance.allia.org.uk)

**Support services offered** Arts Ventures focuses on where organisations can secure sources of funding that bring sustainability, flexibility and longer term investment. It aims to work over a time frame that has momentum but also works to support often transformative operational changes that eventually make its skills redundant.

**Geographical area** UK

**What's our USP?** "We bring experience from mainstream business and investment, which we have pivoted into the social enterprise and investment sector. Combined with a passion for the power of arts to positively impact people, communities and society we hope we are uniquely placed to support and encourage great arts organisations to realise and benefit from the value of their skills and assets."

**Who we support** "We believe that complex social issues can only be solved by using a variety of perspectives to develop projects that deliver aligned social impact and earned income, so we welcome people from different backgrounds. We are employee owned as our people are our business, and our motivations are all aligned to delivering for our clients and partners in order to drive the business forward."

**Contact** Richard Speak | [richard.speak@financeforsustainability.co.uk](mailto:richard.speak@financeforsustainability.co.uk) | [artsventures.co.uk](http://artsventures.co.uk)



## BARROW CADBURY TRUST

*The Barrow Cadbury Trust is an independent charitable foundation which funds research into social change as well as social enterprises. It has a small capital which aims to hold a mixed portfolio, with a focus on criminal justice, gender justice, racial justice and economic justice.*

**Amount invested since founding date** £2.4m

**Organisations supported since founding date** 15

**Type of investment available** All types of investment vehicles, including loans, social impact bonds, equity and quasi-equity investments.

**Size of investment available** £50,000 - £250,000

**Geographical area** UK, focus on Birmingham

**Contact** barrowcadbury.org.uk



## BATES WELLS BRAITHWAITE (BWB)

*BWB is a law firm that has been involved in many of the major developments in social enterprise. It invented the community interest company, shaped social investment tax relief and recently launched Purposefy, a free government-backed digital tool that helps businesses to simply embed purpose into their company articles.*

**Support services offered** BWB's Social Enterprise team works collaboratively with teams across the firm to deliver a full and bespoke legal service which combines practical advice with profound legal knowledge.

**Geographical area** Besides its many clients in the UK, BWB also has a strong international presence due to our membership of networks such as the European Social Enterprise Law Association and the Global Impact Investing Network.

**What's our USP?** "Aside from being deeply involved in many of the trailblazing steps that the sector has taken in recent years, BWB is well placed to advise social enterprises due to its unique blend of expertise in corporate, commercial, finance and charity law."

**Who we support** "BWB work for organisations of all sizes across the sector. As well as established organisations, our Social Enterprise team assists individuals or companies looking to set up, finance or otherwise run a social enterprise. The advice of BWB is also sought by the UK Government, European Commission, OECD and others."

**Contact** Luke Fletcher, Partner | bwblp.com



## BETHNAL GREEN VENTURES (BGV)

*Bethnal Green Ventures is an early stage investor in tech for good, who run an accelerator programme supporting founders using technology to radically change people's lives for the better.*

**Support services offered** It helps talented teams launch and grow tech for good ventures through a three-month accelerator programme, which it runs twice a year and provide intensive mentoring and support, £20,000 investment in exchange for 6% equity plus access to a further £50,000 and co-working space in London. BGV also run the tech for good London meetup together with CAST supporting the community of tech for good entrepreneurs and organisations. It supports the techforgood.global media platform highlighting and celebrating the potential and use of tech for good.

**Geographical area** London

**What's our USP?** "We help talented teams launch and scale tech for good ventures that significantly improve millions of lives and deliver great returns for investors and support the growth of the tech for good community."

**Who we support** "Bethnal Green Ventures focuses on new businesses (companies limited by shares) that are using technology to radically change people's lives for the better."

**Contact** Matthew Aubrey | [hello@bethnalgreenventures.com](mailto:hello@bethnalgreenventures.com) | [bethnalgreenventures.com](http://bethnalgreenventures.com)



## BIG ISSUE INVEST

*Big Issue Invest is the social investment arm of The Big Issue magazine. Big Issue Invest extends The Big Issue's mission to dismantle poverty and create opportunity by investing in sustainable social enterprises and charities across the UK.*

**Amount invested since founding date** £30m

**Organisations supported since founding date** 300+

**Type of investment available** Secured and unsecured loans; revenue participation loans; social impact bonds; and equity

**Size of investment available** From £25,000 - £3m

**Geographical area** UK

**What's our USP?** "The ethos and the mission of the Big Issue Magazine is at the heart what Big Issue Invest does. This mission drives who we invest in, how we invest and how we deal with our investee partners on a daily basis."

**What we're looking for in investees** "Big Issue Invest is able to invest in a broad range of social enterprises and charities working across the UK. There isn't a typical Big Issue Invest investee but we look for investees that are able to demonstrate positive social impact and a sustainable business model."

**Contact** [enquiries@bigissueinvest.com](mailto:enquiries@bigissueinvest.com) | [bigissueinvest.com](http://bigissueinvest.com)





## BLACK SOUTH WEST NETWORK

*BSWN is a BAME-led organisation that delivers race equality work through undertaking robust, BAME-led research into the social and economic issues that affect BAME communities; the development of voice and influence mechanisms that locate BAME people in an equal dialogue with decision-makers; the brokering and development of relationships and collaborations that deliver real race equality work on the ground and in the corridors of power; and the development of mechanisms and projects that help BAME communities to use their own agency in social and economic development.*

**Support services offered** Carrying out and producing policy recommendation on racial inequality, capacity building of BAME organisations and social enterprises, brokerage, advisory role on public and private sector boards/structures, creating networking opportunities via events, debates and cultural activities, diversity and inclusion workshops/training

**Geographical area** South West England

**What’s our USP?** “BSWN has a long-standing track record of developing BAME networks across the South West. In this regard, BSWN established a network of 300+ BAME organisations and individuals, providing capacity building services, resources and materials, advocacy support, and policy development functions. Through our work we have acquired deep understanding, knowledge and intelligence of complex issues affecting BAME communities useful for developing innovative policy interventions and solutions relevant to the communities we work with.”

**Who we support** “Our main beneficiaries are BAME organisations/individuals. We also work very closely with policy and decision makers, funders, public sector, private sector to address structural inequality and stimulate economic growth at a local level.”

**Contact** Sado, Jirde, Director | [sado@bswn.org.uk](mailto:sado@bswn.org.uk) | [blacksouthwestnetwork.org](http://blacksouthwestnetwork.org)



## A BLUEPRINT FOR BETTER BUSINESS

*A Blueprint for Better Business helps businesses to be a force for good by being inspired and guided by a purpose that serves society. It exists to change the conversation about the purpose of business and what motivates people and to act as a catalyst for change in business*

**Support services offered** Blueprint is a small UK registered charity and not a consultancy. It engages in dialogue with and convenes workshops and events for business leaders, advisors and representatives from wider society, to support them in overcoming the challenges and unlocking the opportunities of staying true to a purpose that serves society

**Geographical area** UK

**What’s our USP?** “Drawing on a strong foundation of learning from society – including social and behavioural sciences, faith and philosophy – we offer an alternative to ‘business as usual’. We challenge assumptions about the purpose of business and what motivates people and help businesses see that they can operate in a way that benefits both business and society.”

**Who we support** “Because of their scale and reach, we focus primarily on senior people in large corporates and those who influence them such as academics, investors, NGOs, the media and consultants to business. However, the Blueprint thinking can be applied to all organisations, using our Principles and Framework as a guide.”

**Contact** [soulla@blueprintforbusiness.org](mailto:soulla@blueprintforbusiness.org) | [blueprintforbusiness.org](http://blueprintforbusiness.org)



## BRIDGES FUND MANAGEMENT

*Bridges is a specialist fund manager focused exclusively on sustainable and impact investment. Since 2002, it has raised over £900m to invest in SMEs, properties and social sector organisations that are helping to tackle some of society’s biggest challenges, with a focus on four impact themes: health & wellbeing, education & skills, sustainable living and underserved markets.*

**Amount invested since founding date** £800m

**Organisations supported since founding date** Investments across the platform include HCT, CASA, LEYF, Unforgettable, Fusion Housing, Career Connect, Innovate, Just Ask, Babington, The Gym Group, Springboard Education, Shaw healthcare, New Reflexions, The Ethical Housing Company,

**Type of investment available** Equity, quasi-equity, project finance (social impact bonds)

**Size of investment available** Up to £15m

**Geographical area** UK/US

**What’s our USP?** “We provide capital that makes a difference, both to our partners and the wider world. We offer flexible funding and hands-on support to mission-driven organisations, helping them scale and enhance their social and environmental impact.”

**What we’re looking for in investees** “We partner with ambitious mission-driven organisations that want to grow and scale their impact. To maximise the difference our capital makes, we seek out partners whose focus on mission and purpose is helping to drive better performance or create a sustainable market advantage.”

**Contact** info@bridgesfundmanagement.com | bridgesfundmanagement.com



## BRISTOL & BATH REGIONAL CAPITAL

*Bristol & Bath Regional Capital is a not-for-profit investment company that is locally led and locally owned. It is constituted as an asset locked Community Interest Company. Bristol & Bath Regional Capital believe that money can contribute to a fairer society if we re-think investment. It bridges the gap between ethically motivated investors and projects or enterprises that give back to both the investors and the community.*

**Amount invested since founding date** £27m

**Organisations supported since founding date** South Bristol Sports Centre, Network Counselling, Bristol Together, Easton Community Centre, Dunmail Housing Scheme Arkbound, Sauce and Spice, Initiative Homes, Oasis Talk

**Type of investment available** Via deal arranging/brokerage: Loans, Pension Funds

**Size of investment available** From £2,000 with no upper limit.

**Geographical area** Bristol & Bath

**What’s our USP?** “Our local knowledge and networks help us offer deeper, more individual relationships. Our inclusive and representative governance structure with key public, private, community and academic sector players, means we can be trusted to respond to local priorities with integrity and transparency. Our collaborative, lean structure means we deliver services more cost-effectively, efficiently and innovatively.”

**What we’re looking for in investees** “We look for projects and enterprises which generate public benefit in our region. We prioritise those projects that produce, homes, assets for the community, and inclusive employment, and those which contribute to the low carbon economy. We support projects which are commercially viable and have a clear positive impact in the Bristol & Bath region and do not distribute grants.”

**Contact** Ed Rowberry | edwardrowberry@bab-rc.uk | bab-rc.uk

# Buzzacott

## BUZZACOTT

*Now, more than ever, social enterprises are playing a crucial role in developing viable and ethical business models and the delivery of public services. More than 70,000 are currently doing business worth almost £19-billion, and are statistically more likely to develop new products or services than conventional SMEs. They have become an economic sector in their own right. Buzzacott has a team dedicated to working with social enterprises, of which many are new enterprises that, understandably, find the demands of accounting, reporting and tax compliance a distraction from growing the business. If this sounds like familiar territory we have designed a service you will appreciate – one that is both responsive and pro-active.*

**Geographical area** UK

**What's our USP?** " Buzzacott has a dedicated team of social enterprise auditors and advisors. We are unique in the depth of support and expertise that we can provide to social enterprises and our level of engagement with those who fund, finance and advise the sector. Our team has four specialist audit partners and around 70 staff: big enough to allow individual, complementary specialisation, but small enough to ensure a personal service so valued by clients in the sector."

**Who we support** We support social enterprises from a start-up phase with accounting, VAT, tax and business advice through to providing audit and advisory services for growing and established social enterprises, including FCA-regulated social finance providers and grant-giving foundations.

**Contact** Eddie Finch, Partner, Charity and Not-for-Profit Team | finche@buzzacott.co.uk | 020 7556 1411 | buzzacott.co.uk

# CAF

Venturesome

## CAF VENTURESOME

*CAF Venturesome supports charities, social enterprises and community land trusts with affordable social investments of £25,000 to over £4m. CAF Venturesome seeks to demonstrate the feasibility of a model that places social impact in the centre, and ahead of financial returns. We made it our mission to help charities to become more resilient and to make a greater difference to the causes they support.*

**Amount invested since founding date** £45m

**Organisations supported since founding date** 558 social investments

**Type of investment available** Affordable and flexible unsecured loans, Social Impact Bonds, Standby facilities, and other social investments.

**Size of investment available** £25,000 - £400,000+  
SE-Assist offers interest free loans from £10,000 - £30,000

**Geographical area** UK and overseas (must be UK-based)

**What's our USP?** "We offer affordable and flexible social investment, with one of the lowest interest rates in the sector. Our wholly-philanthropic social investment funds allow us to support high impact social organisations with the risk-bearing social investment they need. We are highly experienced, having made over 550 social investments and counting."

**What we're looking for in investees** "We support brilliant organisations that are looking to sustain or grow their impact. We support organisations with charitable purpose (do not need to be charities) with a turnover of £60,000."

**Contact** venturesome@cafonline.org | 030 0012 3300 | cafonline.org

## CAN INVEST

*CAN Invest supports voluntary, community and social enterprises (VCSEs) to build sustainable businesses by providing capital and business support. We help social organisations access finance, understand their social impact and solve business challenges, enabling them to increase their social impact and improve operations and financial sustainability.*



## CHARITY BANK

*Charity Bank is an ethical bank that exists to lend to charities, social enterprises, and other organisations where the loan is for a social purpose.*

**Amount invested since founding date** £1m

**Organisations supported since founding date** 50+ across various funds

**Type of investment available** Repayable debt, unsecured

**Size of investment available** Up to £100,000

**Geographical area** UK

**What's our USP?** “The provision of straightforward, smaller value and unsecured loans at a maximum of 4%, with the offer of diverse wrap-around support, enabling organisations to safely ‘test the water’ of social investment.”

**What we're looking for in investees** VCSE organisations who deliver innovative, demonstrably effective and impactful products and services in the ‘early intervention’ space.

**Contact** can-invest.org.uk

**Amount invested since founding date** Over £200m

**Organisations supported since founding date** Over 800 charities and social enterprises across the arts, community, education, environment, faith, health, housing, regeneration, social care and sports.

**Type of investment available** Loans to charities, social enterprises and other organisations where the loan is for a social purpose. Repayment terms can be for up to 25 years.

**Size of investment available** Loans from £50,000 - £3.5m; larger loans available with other investors.

**Geographical area** UK

**What's our USP?** “We're entirely owned by charitable foundations, trusts and social purpose organisations, and keep our social mission at the heart of everything we do. We are the only bank in the UK with the Social Enterprise Mark, which recognises our social purpose and social sector ownership.”

**What we're looking for in investees** “We finance well-established organisations, looking to improve and expand a proven model. We do not fund start-ups, even if they could have high impact, because the absence of a track record exceeds our credit risk appetite.”

**Contact** Mark Herbert | loanenquiries@charitybank.org | 01732 441919 | charitybank.org



## CO-OPERATIVE AND COMMUNITY FINANCE (CCF)

*CCF lend to organisations that are owned and democratically controlled by its members, who are usually employees, customers or members of a community. Its democratically-owned funds offer fair, supportive finance tailored to the needs of individual enterprises. Since 1973, CCF has supported hundreds of businesses, from small community-led enterprises to large award-winning organisations.*

**Amount invested since founding date** About £25m

**Organisations supported since founding date** Almost 1,000

**Type of investment available** Term loans

**Size of investment available** £10,000 - £75,000.  
Up to £150,000 with good security

**Geographical area** UK

**What’s our USP?** “CCF has been lending to cooperatives, community-owned businesses and charities since 1973. Our rates are competitive and unlike many high street lenders we don’t require personal guarantees. Staff are glad to advise on the availability of specific funds and the most suitable forms of finance for your business.”

**What we’re looking for in investees** “CCF lends to employee or community owned social enterprises. All will have an appropriate form of employee or community ownership and must be democratically controlled by their members. CCF invests in ventures that are economically viable. Enterprises must demonstrate the ability to repay capital and interest on the loan finance.”

**Contact** Ian Rothwell, Investment Manager | [ianr@coopfinance.coop](mailto:ianr@coopfinance.coop) | 023 8023 1123 | [coopfinance.coop](http://coopfinance.coop)



## COMMUNITY CHEST LTD

*Community Chest are the only company to specialise in supporting social businesses through peer to peer lending. It provides loan finance for social businesses, with interest and Social Investment tax relief for investors.*

**Amount invested since founding date** £230m

**Type of investment available** Unsecured loans for social enterprises

**Size of investment available** £50,000 - £1.75m

**Geographical area** UK

**What’s our USP?** “Community Chest are the only company to specialise in supporting social businesses through peer to peer lending. We also have exclusive access to £2m of funding from Big Society Capital to match funds from private investors.”

**What we’re looking for in investees** “Community Chest enables viable commercial businesses with charitable or community objectives to borrow directly from a syndicate of many small investors. You must have a workable plan to repay the loan capital on time and your business qualifies for Social Investment Tax Relief.”

**Contact** Kevin Caley | [kevin@communitychest.co.uk](mailto:kevin@communitychest.co.uk) | [communitychest.co.uk](http://communitychest.co.uk)



## COMMUNITY SHARES COMPANY

*Community shares give communities a chance to own shares in local organisations delivering social purpose. It offers shares to community members, enabling local projects to become sustainable thanks to patient capital invested by supporter communities at cheaper rates and longer terms than traditional or social finance.*

**Amount invested since founding date** £40m+

**Organisations supported since founding date** Komedia Bath, Hastings Pier Charity, Govanhill Baths, Portpatrick Harbour Charity, Positive News, New Internationalist, Puzzle Hall Community Pub, The Bevy Community Pub, Peniciuk Community Association, The Community Channel, Lewes Community Football Club

**Type of investment available** Shares

**Size of investment available** £50,000 - £1.75m

**Geographical area** UK

**What's our USP?** "We help groups get themselves in the right position to launch successful share offers, from the right legal structure, the right business plan, the right incentives to investors through the right campaign to tap into your crowd and raise the capital you need to make the project a reality."

**What we're looking for in investees** "Groups who have come together to make something happen, and who have a crowd of potential investors who they're happy to share ownership with. They need a clear need for investment and an understanding of how that changes the game for them and their community in the medium and longer-term."

**Contact** Dave Boyle | [dave@communityshares.co.uk](mailto:dave@communityshares.co.uk) | [communityshares.co.uk](http://communityshares.co.uk)



## CROWDFUNDER

*Crowdfunder believe that ideas have the incredible potential to bring about a new way of seeing or doing things and it works alongside their match-funding partners and community of over 600,000 people to make these ideas happen; raising £50m for communities across the whole of the UK so far.*

**Amount invested since founding date** £50m+

**Organisations supported since founding date** 40,000 projects

**Type of investment available** Rewards based crowdfunding

**Size of investment available** £1+

**Geographical area** UK

**What's our USP?** "As well as our team of in-house crowdfunding coaches and extensive online support available to help you turn your idea into reality, we work with a wide-range of local and national partners to offer additional funds (match-funding) to eligible projects, on top of what is raised from the Crowd."

**What we're looking for in investees** "Crowdfunder's aim is to connect the projects that matter with the people who care and with pledges starting from a minimum of £1, we welcome everyone to come and be a part of a truly unique story."

**Contact** [crowdfunder.co.uk](http://crowdfunder.co.uk) | [twitter.com/crowdfunderuk](https://twitter.com/crowdfunderuk) | [facebook.com/crowdfunder](https://facebook.com/crowdfunder)



## DEVON COMMUNITY FOUNDATION

*Devon Community Foundation has recently launched the new Devon Social Investment Fund to provide accessible loans to support the growth of social enterprises.*

**Amount invested since founding date** £35,300

**Organisations supported since founding date** “We are a new fund which only began in September 2017. We have just made our first loan, which will be announced shortly”

**Type of investment available** Unsecured loans

**Size of investment available** £30,000 - £150,000

**Geographical area** Devon, including Plymouth and Torbay

**What’s our USP?** “Our new investment fund aims to support the growth and impact of voluntary, community, and social enterprises (VCSEs) with accessible unsecured loans. We will work alongside you to tailor loans to your organisation’s needs, enabling you to bring your ideas to fruition.”

**What we’re looking for in investees** If you are a social enterprise or charity based in Devon, Plymouth or Torbay, you are eligible to apply for a loan. You will need to: show your social impact; demonstrate your ability to repay finance; have a track record of trading or have a robust business idea you want to take forward; be a well-managed organisation with good governance.

**Contact** [sandra@devoncf.com](mailto:sandra@devoncf.com) | [devoncf.com/about-us/social-enterprise-support](http://devoncf.com/about-us/social-enterprise-support) | [devoncf.com](http://devoncf.com)



## ECOLOGY BUILDING SOCIETY

*Ecology Building Society is dedicated to building a greener society by providing mortgages for properties and projects that respect the environment and support sustainable communities, funded through its range of simple, transparent savings accounts.*

**Type of investment available** Mortgages

**Size of investment available** Up to £1.5m

**Geographical area** UK

**What’s our USP?** “We provide tailored mortgage products and the support of an experienced team to finance sustainable projects that benefit communities for charities, voluntary organisations, social enterprises and community groups.”

**What we’re looking for in investees** “We support charities, voluntary organisations, social enterprises and community groups which are seeking finance for properties and projects which promote sustainable communities and lifestyles and minimise environmental impact. Our lending includes support for community owned businesses, affordable housing including shared ownership and community-led housing, and organic smallholdings.”

**Contact** Jon Lee, Business Development Manager | [jon.lee@ecology.co.uk](mailto:jon.lee@ecology.co.uk) | 015 3565 0774 | [ecology.co.uk/about-us](http://ecology.co.uk/about-us)



## ENVIRONMENTAL FINANCE

*Environmental finance enables investment into conservation, the environment, and communities at scale. Working across a wide variety of the conservation, natural and built asset sectors, it creates and partners with others who are building innovative, investable projects. These projects are specifically structured to deliver quality returns for investors, local communities and the environment at large.*

**Support services offered** Define timeframes and objectives; Plan, develop and originate project; Structure, model and analyse financing options; Raise capital, deploy and project execution

**Geographical area** UK

**Who we support** “We work with a wide range of stakeholders from public, private and third sector organisations to unlock new revenue streams, in order to deliver scalable financing solutions for natural assets.”

**Contact** Richard Speak | richard.speak@financeforsustainability.co.uk  
environmentalfinance.co.uk



## ESMÉE FAIRBAIRN FOUNDATION

*The Social Investment arm of the Esmée Fairbairn Foundation aims to create social impact through funding charities and not-for-profits. It invests in start-up projects or enterprises, innovative models or services aiming to address social issues, organisations looking to scale or move towards longer term financial sustainability.*

**Amount invested since founding date** £25.6m

**Organisations supported since founding date** 120

**Type of investment available** loans, bonds, equity, and underwriting

**Size of investment available** £60,000 - £300,000

**Geographical area** UK

**What’s our USP?** “We are one of the largest independent grant-making foundations in the UK. Our aim is to improve the quality of life for people and communities in the UK both now and in the future. We do this by funding the charitable work of organisations who are building a cohesive, sustainable, creative and stable society.”

**What we’re looking for in investees** “We are an impact first investor, this means the social investments we make aim to achieve a high social impact as well as a financial return and be a good fit with our funding priorities.”

**Contact** info@esmefairbairn.org.uk | esmefairbairn.org.uk





## ETHEX

*Ethex makes positive investing easy to understand and do.*

*It provides a direct and personal way for individuals to invest in social enterprises and mission driven businesses it believes in, helping them to grow and scale.*

**Amount invested since founding date** Over £62m

**Organisations supported since founding date** 65+

**Type of investment available** Community shares, bonds, equity, loan stock, match funding. Ethex has considerable experience of investments that are eligible for tax reliefs including Social Investment Tax Relief (SITR), Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) and the Innovative Finance ISA (IF ISA).

**Size of investment available** £100,000 - £4.4 m

**Geographical area** UK

**What's our USP?** "We work with social enterprises and mission driven businesses to raise investment. As a social enterprise ourselves we understand the challenges that face your business. Our socially motivated investors are keen to support organisations looking to create a positive impact whilst generating a financial return."

**What we're looking for in investees** "Ethex wants to hear from social enterprises and mission driven businesses that need to raise investment to grow, are looking to get investment ready, want to raise investment from socially motivated investors, want to benefit from match funding, need registry, management or secondary market services."

**Contact** [business@ethex.org.uk](mailto:business@ethex.org.uk) | 01865 403304 | [ethex.org.uk](http://ethex.org.uk)



## THE FABLE BUREAU

*The Fable Bureau is a leading creative agency for social ventures and mission-driven businesses. Put another way - it is a social innovation company which uses stories to make a difference.*

**Support services offered** The Fable Bureau builds strategies, brands and campaigns for inspiring, values-driven organisations, using skills in design, film, events, PR and digital/social media to reach the audiences that matter.

**Geographical area** UK and internationally

**What's our USP?** "As a creative agency, we stand out for our commitment to using business and storytelling as a force for good. We have more than a decade's experience working across the social, business and public sectors. We also make socially innovative products ourselves: we publish the world's leading social enterprise magazine, *Pioneers Post*, we run the NatWest SE100 and WISE100 social business awards, and we produce the Good Deals social enterprise and social investment conference."

**Who we support** "We love working with social ventures who use business thinking to drive their social mission, and with business leaders who are energised by and committed to social purpose. Our clients are not defined by sector or business model but include anybody who wants to stand out by bringing innovation and social impact to their work – from charities and social enterprises to global corporates, government departments and City fund managers."

**Contact** Tim West | [hello@fablebureau.com](mailto:hello@fablebureau.com) | 020 3941 2395 | [fablebureau.com](http://fablebureau.com)



## FAIR BY DESIGN

*The Fair By Design Fund will be managed by Finance Birmingham and Ascension Ventures, bringing nationwide reach and infrastructure for companies looking for funding in this space.*

*Launched in November 2017, The Fund will invest in companies seeking loans and equity funding from Seed through to Series A and beyond, and will share Ascension Ventures and Finance Birmingham’s co-investment philosophy, seeking deal-flow and co-investment opportunities from other funds, VC’s and angel investors.*

**Amount invested since founding date** £500k

**Organisations supported since founding date** We have committed funding for two deals in our first three months, with a number more in the pipeline.

**Type of investment available** Equity, bonds, stocks and shares, cash ISAs

**Size of investment available** Average investment: £250,000, but can invest up to £1m in appropriate deals.

**Geographical area** UK

**What’s our USP?** “We set out to end the Poverty Premium by 2028 and all our investments take us a step closer to that goal. It’s wrong that people in poverty are penalised and we’re investing in successful businesses that provide fair products and services to low-income consumers.”

**What we’re looking for in investees** “We’re looking for entrepreneurs that share our passion to end the Poverty Premium and that have developed a product or service that can challenge and disrupt the Energy, Finance, Insurance and Food/Household Goods sectors.”

**Contact** Emma Steele, Investment Manager | fairbydesignfund.com



## FINANCE FOR SUSTAINABILITY

*Finance For Sustainability works on big ideas to connect new forms of investment to social issues in the UK.*

**Support services offered** Enabling partnerships with others to identify gaps in the provision of finance and creating new funds, private investment products or seeding new advisory firms to work on solving the complex social and environmental issues others are afraid to work on.

**Geographical area** UK

**What’s our USP?** “Our Group Companies are either ‘not-for-profit’ or ‘for profit social sector’ businesses, meaning we have a mission lock and no less than 51% of profits are reinvested in that mission each and every year.”

**Who we support** “We are collaborative - we love working with others and respect diverse backgrounds and alternate ways of working. Our diverse set of skills and results in a best in class approach for the social, financial and community sectors.”

**Contact** Richard Speak | richard.speak@financeforsustainability.co.uk | financeforsustainability.co.uk



## FSE GROUP

*The FSE Group provide tailored funding solutions and support for ambitious and innovative small and medium enterprises (SMEs), to help them achieve their maximum potential. Their social impact funds are dedicated to making impact investments to support social enterprises and are targeted at a diverse range of businesses, organisations and communities, with a focus on scalable social enterprises.*

GMCVO

## GREATER MANCHESTER CENTRE FOR VOLUNTARY ORGANISATION (GMCVO)

*Greater Manchester Centre for Voluntary Organisation (GMCVO) is the voluntary, community and social enterprise (VCSE) sector support organisation covering Greater Manchester. Its vision is of a responsive, accountable and influential voluntary sector in Greater Manchester. It has worked with social change organisations in Greater Manchester for over 40 years and understand the unique challenges and opportunities in the locality.*

**Organisations supported since founding date** Moneyline; MySpace Housing Solutions; Hackney Community Transport; Fair For You CIC; Building Lives Training Academy; TheGivingMachine

**Type of investment available** Loans over 2-5 years

**Size of investment available** £100,000 - £1m

**Geographical area** UK

**What's our USP?** "The FSE Group is a Community Interest Company with a long history of impact lending. Since 2004, we have made nearly 400 loans and equity investments funding market gaps and offer a subsidised mentoring scheme to our borrowers."

**What we're looking for in investees** "We look for organisations with a sustainable business model, strong management team and clear social mission that have a clear plan to grow."

**Contact** mark.bickford@thefsegroup.com | pete.lawson@thefsegroup.com | thefsegroup.com

**Amount invested since founding date** £191,900

**Organisations supported since founding date** MadLab, TLC: Talk, Listen, Change, Cartwheel Arts

**Type of investment available** We offer unsecured, blended finance for social enterprises and trading charities to strengthen their social impact. 20% is provided as a grant, alongside 80% as a loan, repaid over a one to five year term.

**Size of investment available** £10,000 - £50,000

**Geographical area** Greater Manchester

**What's our USP?** "Our investments aim to grow social impact through unsecured, blended finance - we call this 'Growing Great Ideas for Good'. Our fund is targeted at smaller organisations, including those new to social investment, and we offer 20% of the investment amount as a grant to help kick-start their next stage of development."

**What we're looking for in investees** "We want to hear from small, even new, organisations who address social needs, strengthen communities, improve people's life chances, enhance culture or protect the environment and who want to grow their social impact. We support a range of needs, from new staff or products to improved marketing."

**Contact** gmsocinvest@gmcvo.org.uk | 0161 277 1007 | gmcvo.org.uk/gmsocinvest



## HATCH

*Hatch helps people build businesses out of the things they care about the most. It runs enterprise programmes for Young Entrepreneurs, Social Entrepreneurs and Female Founders, supporting each group from testing their business ideas all the way to scaling them. Having worked with over 500 entrepreneurs in the last 4 years, Hatch has built a growing community of entrepreneurs, mentors, coaches and consultants.*

**Support services offered** Hatch provides community driven support via 3 main programmes: a 6-week Launchpad (Idea Stage Entrepreneurs), a 14-week Incubator (Startup Stage Entrepreneurs) and a 14-week Accelerator (Growth Stage Entrepreneurs). Each programmes features workshops, mentoring and 1-2-1 coaching to help entrepreneurs launch and grow their business.

**Geographical area** London

**What's our USP?** “We focus on London-based entrepreneurs. We support especially non-tech businesses, social entrepreneurs and entrepreneurs working in local communities. Our Incubator Programme has had over 55% women, and over 60% BAME founders. We are in it for the long haul, aiming to support each venture for up to 3-years.”

**Who we support** “We run enterprise programmes for Young Entrepreneurs, Social Entrepreneurs and Female Founders, supporting each group from testing their business ideas all the way to scaling them.:

**Contact** [info@hatchenterprise.org](mailto:info@hatchenterprise.org) | 020 7993 0074 | [hatchenterprise.org](http://hatchenterprise.org)



## HOMELESS LINK

*Homeless Link's Social Investment Fund is the first of its kind, exclusively for the homelessness sector. The aim of the fund is to test and learn where social investment can be most effectively used alongside other forms of funding to improve outcomes.*

**Amount invested since founding date** £0

**Organisations supported since founding date** None yet - founded in 2018

**Type of investment available** Unsecured loans

**Size of investment available** £25,000 - £150,000

**Geographical area** England

**What's our USP?** “We are the national membership body for homelessness charities in England. We believe appropriate social investment can be part of the toolkit needed to help our members become more sustainable and thrive in the current environment.”

**What we're looking for in investees** “We are looking for homelessness charities that want to setup new social enterprises, scale up existing enterprises or engage with commissioner about payment by results models to test new ways of working.”

**Contact** Jaishree Mistry, Investment Manager | [homeless.org.uk/social-investment](http://homeless.org.uk/social-investment)

**IMPACT VENTURES UK  
(IVUK)**

*Impact Ventures accelerates the growth of innovative businesses and expands their social benefit. As a leading investor of social it also provides business rigour critically needed in an evolving market. IVUK is a diverse group of professionals with experience in social impact investing, philanthropy, banking, investment and business, who are recognised for their commitment to maintaining strong relationships with investees.*

**INSPIRING  
SCOTLAND**

**INSPIRING SCOTLAND**

*Inspiring Scotland strives for a Scotland without poverty or disadvantage. It works with people, their communities, charities and public bodies to develop solutions to some of the deepest social problems. Since 2008, it has with more than 300 charities, managed more than £120m in funding and transformed the lives of hundreds of thousands of people.*

**Organisations supported since founding date** 40+

**Type of investment available** Equity and smart growth capital investments

**Size of investment available** £500,000 - £5m

**Geographical area** UK

**What we're looking for in investees** "We look for the drive, the passion, and the desire to change the world and achieve greatness not only in the social entrepreneurs we seek to invest in, but also in their core management team. It is critical for organisations seeking IVUK funding to fit our core mission and values."

**Contact** [impactventuresuk.com](http://impactventuresuk.com)

**Support services offered** The design, development and management of Inspiring Scotland's thematic funds helps tackle different social areas and support a portfolio of charities. Inspiring Scotland also connects businesses and charities through its pro bono support. Its strong connections with the private sector – both individuals and businesses – allows it to access a deep and varied pool of expertise. It also provides charities with a support and consultancy service, helping them develop, become more resilient and guide them through tricky issues.

**Geographical area** Scotland wide

**What's our USP?** "We identify and help to solve deep-rooted social issues and we bring together the right people and organisations to design rigorous and innovative solutions. We have pioneered venture philanthropy in Scotland to help charities to increase the scale of the work they do and have a greater impact on the people they help."

**Who we support** "We support Scottish Charities to create greater social impact and change the lives of our most vulnerable and disadvantaged people and communities in Scotland. We work with visionary entrepreneurs, business people, philanthropists, charitable trusts and Scottish Government."

**Contact** Celia Tennant, Chief Executive | [inspiringscotland.org.uk](http://inspiringscotland.org.uk)



## JOSEPH ROWNTREE FOUNDATION

*The Joseph Rowntree Foundation is an independent organisation working to inspire social change through research, policy and practice. Working with private, public and voluntary sectors, it aims to solve poverty in the UK.*

**Amount invested since founding date** £11m committed

**Organisations supported since founding date** 25

**Type of investment available** Loans, equity

**Size of investment available** Dependent on the purpose

**Geographical area** UK

**What's our USP?** "We have a very targeted mission to solve UK poverty, meaning our work is focussed and has clear goals."

**What we're looking for in investees** "We accept proposals that contribute to solving UK poverty with a particular emphasis on our strategic goals of increasing provision of affordable housing, in work poverty and reform of the benefits system."

**Contact** danyal.sattar@jrf.org.uk | jrf.org.uk



## KEY FUND

*The Key Fund is a group of likeminded social entrepreneurs and philanthropists who support new enterprises, create jobs and bolster pride into communities by investing and supporting community and social enterprises, specifically those who have been turned down by mainstream banks and building societies in disadvantaged areas.*

**Amount invested since founding date** £48.5 m

**Organisations supported since founding date** 2500

**Type of investment available** Flexible loans and grants

**Size of investment available** £5,000 - £150,000

**Geographical area** North and Midlands

**What's our USP?** "Key Fund continues to invest in some of the most deprived areas in the North of England and Midlands. We invest the right amounts at the right time, for people unable to access mainstream finance. We continue to deepen our understanding of the sector in which we operate, as we learn from our clients and the needs of the communities they serve."

**What we're looking for in investees** "We look for individuals who are leading organisations, in communities that continue to face huge challenges. We always say here at Key Fund that we lend to people, we invest in their aspirations to improve the quality of life for the people they work with and for. Our clients continue to inspire us."

**Contact** Jane Austin | thekeyfund.co.uk



## LEAPFROG FINANCE

*Leapfrog is one of the leading providers of social investment to community energy projects in the UK.*

*It provides affordable finance to community-led projects across the UK to help fund the installation of renewable energy technologies and energy efficiency measures. Today, Pure Leapfrog manages the British Airways Carbon Fund and, through Leapfrog Finance Ltd, it supplies bridge finance to community energy groups.*



## MUTUAL VENTURES

*Mutual Ventures is passionate about better, more sustainable public services. Mutual Ventures understands that every client faces their own challenges and its team will work in partnership with public bodies, the NHS and VCSEs to help transform public services.*

**Amount invested since founding date** £30m since 2015

**Organisations supported since founding date** Plymouth Energy Community; Burnham and Weston Community Energy; Empower Community

**Type of investment available** Construction and acquisition bridge finance

**Size of investment available** < £10m

**Geographical area** UK

**What's our USP?** "The Leapfrog Finance team have more than 50 years combined experience in financing community renewables. Our number one priority is ensuring that the community benefits from renewable energy investments."

**What we're looking for in investees** "Communities and community-focussed organisations committed to delivering real value at a local scale through investments in renewables."

**Contact** Claire Hanratty | [claire.hanratty@pureleapfrog.org](mailto:claire.hanratty@pureleapfrog.org) | [pureleapfrog.org](http://pureleapfrog.org)

**Support services offered** Mutual Ventures provides a strategic review and can help develop a revised business plan. It advises on potential models of collaboration, facilitating access to new contract and investment opportunities. It can also provide support through the whole journey to accessing social investment, having helped clients to raise finance through loans and social investment of over £1.3m. Mutual Ventures has also supported organisations on their journey to sustainability and growth via a number of grant giving funds.

**Geographical area** UK wide

**What's our USP?** "Our approach is based on a depth of knowledge, a commitment to public services and a 'can do' spirit. Our team have worked with, led and set up their own charities and social enterprises – working on both regional and national scales. We therefore have invaluable in-depth expertise and first-hand experience of the challenges that organisations in this sector are facing."

**Who we support** "We work with with local authorities, the NHS and other public bodies as well as VCSEs. Examples of our work include: business planning for social enterprise PossAbilities; helping Social AdVentures access a public health framework; expanding service reach for Spiral Health."

**Contact** Anne-Helene Sinha | [Anne-Helene@mutualventures.co.uk](mailto:Anne-Helene@mutualventures.co.uk) | [mutualventures.co.uk](http://mutualventures.co.uk)



## NATWEST SOCIAL & COMMUNITY CAPITAL

*NatWest Social & Community Capital is an independent charity supported by NatWest, which supports social enterprises at every stage of the journey, from starting up to expanding their impact on the world. It helps social ventures looking to scale through loans, provided with flexible terms and business support.*

**Amount invested since founding date** £12m+

**Organisations supported since founding date** 50+

**Type of investment available** Flexible loans

**Size of investment available** £30,000 - £750,000

**Geographical area** UK

**What's our USP?** "We offer loans and support to enable social enterprises to grow the impact they make in their local communities. We were set up twenty years ago to support community businesses that can't access normal bank loans and we combine financial expertise with social sector understanding; our website has case studies."

**What we're looking for in investees** "We are looking for social enterprises with a viable business model, who are investment ready and delivering impact in the UK, but have been declined by a mainstream bank. We typically look for social enterprise legal structures such as charities, CICs, etc."

**Contact** natwestscc@natwest.com | 020 7672 1411 | natwest.com/scc



## NORTHERN SOCIAL INVESTMENT GROUP LTD

*Northern Social Investment Group is a collection of social entrepreneurs, business consultants, finance professionals and impact technicians who work strategically together to encourage more and better social investment transactions in the North and Midlands of England. It seeks to build sustainable social enterprises with appropriate social investment.*

**Support services offered** NSIG works to improve social businesses capacity to use social investment. It covers strategy and planning, understanding and improving business performance, governance, impact measurement and management, financial modelling and market analysis. Its aim is to build suitable propositions for investors and investees.

**Geographical area** North and Midlands

**What's our USP?** "Our associate group provides diverse experience and expertise in assessing and constructing social investment propositions which can really serve the objectives of our clients."

**Who we support** "We work primarily with social businesses, community organisations and charities which trade. We have also worked for investors in delivering remedial and corrective work for investees."

**Contact** Paul Halfpenny | paul.halfpenny@nsig.org.uk | nsig.org.uk





## NORTHSTAR VENTURES LIMITED

*Northstar has made early stage venture capital and impact investments since 2004. The North East Social Investment Fund is a £10.2m fund set up to support charities and social enterprises across the North East of England. Its aim is to increase or protect an organisation's ability to deliver social impact.*

**Amount invested since founding date** Over £100m in total and over £2m from the North East Social Investment Fund

**Organisations supported since founding date** Home Group, Northern Engagement into Recovery from Addiction Foundation, Smiles Nursery, Safe in Tees Valley, Special iApps CIC, Be Wellbeing Limited, County Durham Furniture Help Scheme, Liberdade, The Junction, Point 3 Manufacturing, Generator North East

**Type of investment available** Investment loans

**Size of investment available** £100,000 - £1m

**Geographical area** North East England (comprising County Durham, Northumberland, Tees Valley and Tyne & Wear)

**What's our USP?** "We have flexibility in investment terms to suit the organisation and use of investment funds, including operational costs, working capital, asset purchases, or a combination. We invest in Charities (CLGs or CIO), CICs and Registered Societies, based in, or having significant operations, in NE England, with the ability to repay."

**What we're looking for in investees** "An organisation's financials and the social impact it is achieving. Investment must improve or scale social impact, without financial strain. Our impact areas are homelessness, debt, poverty, health, social care needs, mental health, offender rehabilitation, unemployment, regeneration of deprived communities."

**Contact** peter@northstarventures.co.uk | northstarventures.co.uk



## NUMBERS FOR GOOD

*Numbers for Good is a leading social innovation and impact investing advisor committed to making a significant contribution to UK and global development by supporting, charities and social enterprises, NGOs, foundations, investors and local and national government. Its mission is to bridge the worlds of finance and social and environmental impact, by creating financial solutions that allow organisations to fund social and environmental projects as well as connect investors with opportunities for sustainable financial and social returns.*

**Support services offered** Sustainability and growth consulting; Impact Advisory; Impact Bond and Fund feasibility and structuring; Financial Advisory; Investment raising; Research; Programme and Product Design

**Geographical area** UK and International

**What's our USP?** "We are passionate about social change and with a wealth of experience, our team brings together expertise in management consulting, banking, public policy and social enterprise. We strive to find innovative solutions for our clients, predominantly charities and social enterprises, whilst always putting their impact goals first."

**Who we support** "We work with charities and social enterprises, NGOs, corporates, local and national governments and foundations and investors to enable them to maximise their social impact. We have worked on over 30 social impact bond projects, and have advised over 100 charities and social enterprises, SMEs, NGOs and corporates on how to understand how social innovation."

**Contact** dominic@numbersforgood.com | numbersforgood.com



## OIKOCREDIT

*Founded in 1975 by the World Council of Churches, and headquartered in the Netherlands, Oikocredit is a worldwide co-operative and social investor, providing investment to over 800 inclusive finance, smallholder agriculture and renewable energy investee partners in low-income and developing countries. Working with partners like Divine Chocolate, BBOXX energy and Cafédirect, Oikocredit reaches over 40m people with much needed finance and technical support so that they can build their own paths out of poverty.*

**Amount invested since founding date** €2bn+

**Organisations supported since founding date** 3000+

**Type of investment available** Loans, credit lines, equity, capacity building funds

**Size of investment available** €1.5m - €18m

**Geographical area** Latin America, Sub Saharan Africa and Asia (outward investments). Europe (capital-raising)

**What's our USP?** "Oikocredit has worked for decades in many of the areas that the UN Agenda for Sustainable Development seeks to address. Our investing activities, and highly recognised social and environmental metrics and reporting, support the achievement of many of these Sustainable Development Goals through the investee partners we finance and the capacity-building activities we undertake."

**What we're looking for in investees** "A mission dedicated to social impact with a measurable track record and proof of concept for transforming the sectors and geographies in which we operate. They should demonstrate strong governance and client protection principles with at least three years of revenues and filed accounts. They should be making a fair and sustainable profit (or soon will be) and be looking for at least €1.5m."

**Contact** Monica Middleton, National Director | Archie Pearson, Client Executive | [uk@oikocredit.org](mailto:uk@oikocredit.org) | [oikocredit.org.uk](http://oikocredit.org.uk)



## PEABODY

*The Peabody Community Fund was set up in 2014 to provide grants funding to projects and activities which improve the quality of life of Peabody residents in London. The fund supports activities that respond to community need, bring communities together, and promote wellbeing*

**Amount invested since founding date** There have been seven funding rounds since the Peabody Community Fund and £360,000 has been awarded to date.

**Organisations supported since founding date** The Fund has awarded grants to 78 not-for-profit organisations with incomes of less than £500,000, and prioritises those with incomes under £100,000. These include constituted community and resident groups; registered charities; companies limited by guarantee; social enterprises, Community Interest Companies; and Charitable Incorporated Organisations.

**Type of investment available** Grants

**Size of investment available** £500 - £5,000

**Geographical area** London and the South East

**What's our USP?** "Peabody has provided 55,000 homes for 111,000 residents across London and the South East. We prioritise projects that address the needs of the most disadvantaged members of the community. This includes Peabody resident-led projects and Youth-led projects. There are also ring-fenced funds for projects supporting residents from Waltham Forest and Thamesmead."

**What we're looking for in investees** "Activities must demonstrate the beneficiaries will be Peabody residents and applications should provide details of the project's format and delivery. Applicants should have a clear plan of how projects will engage residents."

**Contact** [londoncf.org.uk/grants/peabody-community-fund](http://londoncf.org.uk/grants/peabody-community-fund)



## RESONANCE

*Resonance helps social enterprises raise capital from like-minded investors, as well as creating innovative impact investment funds, which deliver financial return and targeted social impact.*

**Amount invested since founding date** £133m

**Organisations supported since founding date** Over 200 in the following impact sectors: homelessness, community-led projects, education, health, social care and criminal justice.

**Type of investment available** A range of different loan types

**Size of investment available** £50,000+

**Geographical area** UK

**What's our USP?** “Resonance’s mission is to connect investment capital with social enterprises, so they can profitably grow their social impact - matching enterprises with investors who value both their impact ambition and business model. We work with businesses motivated by generating transformational social impact, with clear commitment to bringing about social change.”

**What we're looking for in investees** “Social enterprises with self-sustaining solutions through innovative business models. Social mission will drive the structure of the business: the way it trades, its staff and customer relationships and how profits are used. Investment into high-impact, mission driven social enterprises will be to facilitate growth in the social impact they can deliver.”

**Contact** [info@resonance.ltd.uk](mailto:info@resonance.ltd.uk) | [resonance.ltd.uk](http://resonance.ltd.uk)



## RESPONSIBLE FINANCE

*Responsible Finance is voice of the responsible finance industry, working to increase access to fair finance. It supports a strong and growing network of finance providers who are building resilient economies and a strong social enterprise sector throughout the UK.*

**Support services offered** Members provide loan finance and support to social enterprises and SMEs across the UK. The products offered are tailored to local needs, and the details can be found at [findingfinance.org.uk](http://findingfinance.org.uk)

**Geographical area** UK

**What's our USP?** “Our members are mission-driven lenders. They understand the pressures of operating as a social enterprise in a challenging environment. They provide a personal service and supportive finance to social enterprises. At our heart is the idea of bringing social and economic benefits to people, places and businesses.”

**Who we support** “Responsible Finance supports a vibrant network of responsible finance providers. Our members support social enterprises, as well as SMEs and consumers, unable to get the finance they need from mainstream sources.”

**Contact** [info@responsiblefinance.org.uk](mailto:info@responsiblefinance.org.uk) | 020 7430 0222 | [responsiblefinance.org.uk](http://responsiblefinance.org.uk) | [findingfinance.org.uk](http://findingfinance.org.uk)



## ROYAL BANK OF SCOTLAND SOCIAL & COMMUNITY CAPITAL

*Royal Bank of Scotland Social and Community Capital is an independent charity supported by RBS, which supports social enterprises at every stage of the journey, from starting up to expanding their impact on the world. It helps social ventures looking to scale through loans, provided with flexible terms and business support.*

**Amount invested since founding date** Over £12m

**Organisations supported since founding date** Over 50

**Type of investment available** Flexible loans

**Size of investment available** £30,000 to £750,000

**Geographical area** Scotland

**What’s our USP?** “We offer loans and support to enable social enterprises to grow the impact they make in their local communities. We’re an independent charity supported by Royal Bank of Scotland, set up twenty years ago to support community businesses that can’t access normal bank loans and we combine financial expertise with social sector understanding; our website has case studies.”

**What we’re looking for in investees** “We are looking for social enterprises with a viable business model, who are investment ready and delivering impact in the UK, but have been declined by a mainstream bank. We typically look for social enterprise legal structures such as charities, CICs, etc.”

**Contact** [bsscc@rbs.co.uk](mailto:bsscc@rbs.co.uk) | 020 7672 1411 | [rbs.co.uk/scc](http://rbs.co.uk/scc)



## SEEDBED INVESTMENT

*Seedbed provides high-quality support, affordable loans and early stage equity designed for social impact ventures. It is the culmination of the partnership of Dartington Hall Trust and South West Investment group.*

**Amount invested since founding date** £430,000

**Organisations supported since founding date** Eat That Frog CIC; Grow Bristol CIC; Unique Voice; Inspire Cornwall; B-Shirt, SIRONA; Ethical Introductions; Authentis; Totnes Renewable Energy Society; Living Memories CIC; Cycle Systems, CLEAR Cornwall.

**Type of investment available** unsecured business loans and early stage equity

**Size of investment available** loans <£50,000, investment <£25,000

**Geographical area** South West UK

**What’s our USP?** “We offer individually tailored development support for social ventures. Affordable, unsecured business loans £5,000 to £50,000 and early stage equity investment up to £25,000.”

**What we’re looking for in investees** We’re looking for a clear understanding of social purpose and impact, clear development trajectory, a committed senior management team, willingness to stretch, and a tangible contribution to the South West Social Economy.”

**Contact** Dirk Rohwedder | [info@seedbedenterprise.co.uk](mailto:info@seedbedenterprise.co.uk) | 01803 847066 | [seedbedenterprise.co.uk](http://seedbedenterprise.co.uk)



## SOCIAL AND SUSTAINABLE CAPITAL (SASC)

*SASC provides simple finance for charities and social enterprises, offering flexible capital to enable social sector organisations to grow their social impact and improve the lives of disadvantaged people. The Community Investment Fund (CIF) invests in social sector organisations located in England, while the The Third Sector Investment Fund (TSIF) supports charities and social enterprises across the UK.*



## SOCIAL BUSINESS INTERNATIONAL

*Social Business International (SBI) specialises in knowledge transfer and innovation in the field of social enterprise. Its mission is to share know-how and best practice about social enterprise across international boundaries.*

**Amount invested since founding date** £24m

**Organisations supported since founding date** 18

**Type of investment available** CIF: long-term, flexible loans and quasi-equity. Third Sector Investment Fund: secured and unsecured loans, finance for payment by result (PBR) contracts, and quasi-equity investments.

**Size of investment available** £250,000 - £3m

**Geographical area** UK (CIF is England only)

**What's our USP?** “We provide flexible investment responsive to the needs of charities and social investment. We are a social enterprise ourselves with 51% profits going to SIB foundation. We work creatively to design investment solutions. Although focused on helping organisations grow/deepen their social impact, we have a broad approach across sectors and geographies. SASC is able to make very long dated investments (15 years).”

**What we're looking for in investees** A registered charity/social enterprise based and operating in the UK with a clear social mission and significant, measurable, direct outcomes; a focus on supporting disadvantaged/vulnerable people; strong management with proven capability; a robust business plan and financial projections; a clear demonstration of how repayment will be made; good corporate governance.”

**Contact** Natalie Pinon, Director of Impact | [natalie@socialandsustainable.com](mailto:natalie@socialandsustainable.com) | [socialandsustainable.com](http://socialandsustainable.com)

**Support services offered** Consultancy in social enterprise innovation in public services; Leadership development and capacity building; hosted learning events: seminars, conferences and study tours; speaking engagements; expert policy advice; reports and publications; running the E3M Initiative.

**Geographical area** International

**What's our USP?** “The team at SBI has very considerable experience of developing and supporting social enterprise gained over the last 30 years and can draw on extensive network of expert contacts. We work with and through our E3M members and partners drawing on their extensive knowledge and expertise.”

**Who we support** “In the UK, through our E3M initiative we support social enterprises running public services and public service commissioners looking for new solutions. We also provide expert advice to policy makers and strategic authorities internationally.”

**Contact** Jonathan Bland | [jonathan.bland@socialbusinessint.com](mailto:jonathan.bland@socialbusinessint.com) | [socialbusinessint.com](http://socialbusinessint.com)



## SOCIAL FINANCE

*Social Finance UK works with change-makers across the globe, combining data, investment, partnerships and original thinking to support them. It has mobilised over £100m in investments for social change, working with the most pressing social issues from prisoner reoffending to mental health, and the most vulnerable among society to create positive change.*

**Support services offered** A range of services from partnerships, finance, data insights.

**Geographical area** UK and International

**Who we support** Social Finance UK work with local partners and agencies in areas most needed.

**Contact** [socialfinance.org.uk](http://socialfinance.org.uk)



## SOCIAL INVESTMENT BUSINESS

*Social Investment Business provides loans, grants and strategic support to charities and social enterprises to help them improve people's lives. It has helped hundreds of organisations become more resilient and sustainable so that they can grow and increase their impact. Social Investment Business were one of the UK's first social investors and since 2002 have provided over £400m of loans and grants to charities and social enterprises*

**Amount invested since founding date** £400m+ in grants and loans.

**Organisations supported since founding date** 2000+

**Type of investment available** Grants and loans.

**Size of investment available** Variable loans and grants to meet the needs of charities and social enterprises.

**Geographical area** UK

**What's our USP?** "We have a long track record of working with social sector organisations to help them improve the lives of the people they work with. We use this extensive sector knowledge and understanding to develop programmes and funds which are responsive and flexible to the needs of organisations on the ground."

**What we're looking for in investees** "We put impact first and are looking to work with organisations who are similarly driven to tackle the big problems we face as a society. Above and beyond specific skills, we look for investees who are open, adaptable and interested in a relationship-based approach to working together."

**Contact** [enquiries@sibgroup.org.uk](mailto:enquiries@sibgroup.org.uk) | [sibgroup.org.uk](http://sibgroup.org.uk)



## SOCIAL INVESTMENT CYMRU

*Social Investment Cymru is part of Wales Council for Voluntary Action (WCVA) and has for the past 10 years been financially supporting social enterprises in Wales with a range of financial products. It has invested in organisations that are expanding their income-generating activities, their range of services and also organisations that have struggled to attract grant funding for new projects.*

**Amount invested since founding date** £10m+

**Organisations supported since founding date** 100+

**Type of investment available** Loans and investments

**Social Business Growth Fund** <£150,000 West Wales and the Valleys; £125,000 East Wales

**Communities Investment Fund** £50,000 - £250,000

**Micro Business Loan Fund** <£50,000

**Geographical area** Wales

**What's our USP?** "SIC provides finance to the third sector in Wales to make social investment available to those that cannot access loan finance from commercial sources. We lend where others will not and our track record shows that we make a success of it."

**What we're looking for in investees** "We are looking for well thought out plans for how a third sector organisation in Wales can grow, be more sustainable, increase their impact on the communities they serve and generate income (or savings) to repay the investment."

**Contact** Alun Jones | [ajones@wcva.org.uk](mailto:ajones@wcva.org.uk) | [wcva.org.uk/funding/social-investment-cymru](http://wcva.org.uk/funding/social-investment-cymru)



## SOCIAL INVESTMENT SCOTLAND

*Social Investment Scotland are a charity which provides investment for other charities and social enterprises looking to make a positive impact on people's lives, society or the environment.*

**Amount invested since founding date** £60m

**Organisations supported since founding date** 70

**Type of investment available** Loans

**Size of investment available** £10,000 - £1.6m

**Geographical area** Scotland

**What's our USP?** "No application form is necessary. We want to talk to you first, to find out about your specific needs, and our personal approach means we share enthusiasm for your project every step of the way."

**What we're looking for in investees** "We support charities and social enterprises looking to make a positive impact on people's lives, society or the environment."

**Contact** Alastair Davis | [alastaird@socialinvestmentscotland.com](mailto:alastaird@socialinvestmentscotland.com) | [socialinvestmentscotland.com](http://socialinvestmentscotland.com)



## SPORTING ASSETS

*Sporting Assets is a social enterprise that helps develop sustainable sports and community businesses, often by taking ownership of facilities, developing new ones and by helping to create or diversify revenue streams.*

**Support services offered** It covers the whole process, from studies to assess whether a project is feasible, to business development to help organisations plan for the future, and finally to raising finance or taking on facilities.

**Geographical area** UK

**What's our USP?** “We have a diverse team of experienced professionals, who all excel in their given fields and innovate to meet changing trends in Government policies, Local Authority budgets, and sources of finance. We are passionate about the difference that sport can make to individuals and communities.”

**Who we support** “We offer a wide range of bespoke advisory services to benefit and support sporting communities, governing bodies and Local Authorities.”

**Contact** Paul Ebied | paul.ebied@sportingassets.co.uk | sportingassets.co.uk



## SPORTING CAPITAL

*The Sporting Capital loan fund is the first social investment fund focused on supporting the development of community sports organisations and organisations that deliver impact through sport. Its goal is to help these organisations to become sustainable, using its investment to support the development of new and existing revenue streams.*

**Amount invested since founding date** £100,000 since 2018

**Organisations supported since founding date** 1

**Type of investment available** Unsecured loans

**Size of investment available** £50,000 - £150,000

**Geographical area** England

**What's our USP?** “Sports sector organisations are vastly under-represented in the social investment market. The Sporting Capital fund addresses this by directly increasing investment in the sector, and helping to enlarge the market itself by encouraging and enabling further social investment to enter.”

**What we're looking for in investees** “We are looking for investees who aim to deliver community-based services to meet the needs of local people, either using sport as a tool, or using a community sports setting to deliver services. We can invest to enable such investees to develop new projects, operations and revenue streams.”

**Contact** Pete Maguire | pete.maguire@sportingcapital.org.uk | sportingcapital.org.uk



TRIODOS BANK

*Triodos Bank is a global pioneer in sustainable banking using the power of finance to invest in projects that are good for people and the planet.*

**Amount invested since founding date** In 2016, it had €13.5bn of assets under management, with nearly £710 m lent in the UK. In the last 15 years, it directly raised more than £130m to fund over 50 impact projects.

**Organisations supported since founding date** Publishes every organisation it invests in at: [www.knowwheremyourmoneygoes.co.uk](http://www.knowwheremyourmoneygoes.co.uk)

**Type of investment available** Retail banking: current accounts, cash savings accounts and ISAs, investment ISAs, socially responsible investment funds. Business banking: current accounts, deposit accounts, business loans. Direct investments: innovative finance ISAs, direct debt and equity via the Triodos Crowdfunding platform.

**Size of investment available** Investments are available in any size.

**Geographical area** Europe, with certain funds invested in global organisations.

**What's our USP?** “Triodos knows that money can help create a fairer and more sustainable society by supporting organisations that are creating positive social, cultural and environmental change. No other bank in the UK offers customers such a clear link between their savings and investments and the positive difference their money makes.”

**What we're looking for in investees** “Individuals and organisations who want their money to be aligned to their values while also providing them with the confidence of a sensible financial decision. They are keenly aware of social and environmental issues and believe that finance can contribute towards positive change.”

**Contact** Personal Banking: 033 0355 0355 |  
Business and Investment Banking: 080 0328 2181 | [triodos.co.uk](http://triodos.co.uk)



UNITY TRUST BANK

*Unity helps organisations to prosper and contribute to economic, community and social change. All of its funding comes from customer accounts and it benefits from a loyal, growing customer base. It uses deposits customers entrust to fund lending which supports the communities it collectively serves.*

**Amount invested since founding date** £42.1m in 2017 alone

**Size of investment available** £150,000 - £1m

**Geographical area** UK

**What we're looking for in investees** “Our focus is on financial sustainability and positive social impact so if your organisation is seeking a loan that will create jobs or bring wider economic, social or environmental benefit we'd like to talk to you.”

**Contact** [unity.co.uk](http://unity.co.uk)



## UNLTD

*UnLtd want to see a future where enterprising people are transforming our world for good. Through funding and support, UnLtd help social entrepreneurs to realise their potential and create lasting change.*

**Support services offered** UnLtd offers funding and support to social entrepreneurs. As well as seed funding, early stage Awards of support include 1:1 support, access to mentors, business skills workshops and residential. We also offer tailored accelerator programmes for scaling social ventures.

**Geographical area** UK

**What's our USP?** "We enable social entrepreneurs to create and build sustainable businesses which solve society's challenges. Together we collaborate with communities, government and business to bring about social change. We are unique in that we directly support and invest in people, unleashing the potential of social entrepreneurs to change the world for the better."

**Who we support** "We support individuals in the United Kingdom who are working to solve social problems through entrepreneurial solutions."

**Contact** 020 7566 1100 | unltd.org.uk



## ULSTER BANK SOCIAL & COMMUNITY CAPITAL

*Ulster Bank Social & Community Capital is an independent charity supported by Ulster Bank, whose fund supports social enterprises at every stage of the journey, from starting up to expanding their impact on the world. It helps social ventures looking to scale through loans, provided with flexible terms and business support.*

**Amount invested since founding date** £12m+

**Organisations supported since founding date** 50+

**Type of investment available** Flexible loans

**Size of investment available** £30,000 - £750,000

**Geographical area** Northern Ireland

**What's our USP?** "We offer loans and support to enable social enterprises to grow the impact they make in their local communities. We were set up twenty years ago to support community businesses that can't access normal bank loans and we combine financial expertise with social sector understanding; our website has case studies."

**What we're looking for in investees** "We are looking for social enterprises with a viable business model, who are investment ready and delivering impact in the UK, but have been declined by a mainstream bank. We typically look for social enterprise legal structures such as charities, CICs, etc."

**Contact** ulsterscc@ulsterbank.co.uk | 020 7672 1411 | rbs.co.uk/scc



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